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2 February 1994

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General

PRC Delegate Views Responsibilities of Nuclear States

OW0102121794 Beijing XINHUA in English 1125
GMT 1 Feb 94

[Text] Kathmandu, February 1 (XINHUA)—All nuclear weapon states (NWS) should undertake legal commitments of unconditional no-first-use of nuclear weapons against one another and no-use of such weapons against non-nuclear states (NNWS) and nuclear-free zones.

Speaking on "responsibilities of the NWS" at the sixth regional meeting on "Cooperation in the Maintenance of Peace and Security, and Disarmament", deputy division chief of the International Organizations and Conferences Department of the Chinese Foreign Ministry Wang Jun said today that all the NWS should also enter into early negotiations on the conclusion of relevant international treaties.

Wang said, "it is our view that conditions for negotiations on the conclusion of such multilateral treaties are ripe under the new international situation."

The NWS as the permanent members of the UN Security Council at the same time, are duty-bound to improve cooperation so as to better fulfill their special responsibility entrusted by the charter for the maintenance of international peace and security, Wang stressed.

Some 47 delegates or observers from 30 countries or agencies attended the three-day regional meeting which opened here on Monday [31 January]. The meeting was organized by the UN Regional Centre for Peace and Disarmament in Asia and the Pacific.

PRC Delegation Criticizes Motion on Tibet

HK0102131994 Beijing RENMIN RIBAO in Chinese
26 Jan 94 p 6

["Dispatch" by reporter Guan Yanzhong (4619 1750 1813) from Buenos Aires: "Chinese Representative to Conference of International Union for Preservation of Nature and Natural Resources Seeks Cancellation of Motion on Tibet Issue"]

[Text] Buenos Aires, 24 Jan (RENMIN RIBAO)—This morning, the 19th Congress of the International Union for Preservation of Nature and Natural Resources called a meeting to discuss its motions. A spokesman of the Chinese delegation urged the congress to withdraw the motion on the Tibet issue.

The spokesman pointed out: The motion put forward by Australia's Champaign Institute is a purely political one, which describes Tibet as "a country" and also incites Tibetan independence. This constitutes open interference and infringement of China's sovereignty and a violation of international law. As everyone knows, Tibet is an inalienable part of the sacred territory of China.

The formulation of "rapid damage to the natural ecology in Tibet" is contrary to fact. A host of facts illustrate that Tibet achieves success in preserving forest and wildlife. The demand of the Chinese delegation was supported by some countries.

Nature Protection Union Vetoes Motion Against Beijing

OW0102131094 Beijing XINHUA Domestic Service in Chinese 1013 GMT 27 Jan 94

[By reporter Lin Minzhong (2651 3046 1813)]

[Excerpt] Buenos Aires, 26 Jan (XINHUA)—The 19th conference of the International Union for the Protection of Nature and Natural Resources closed here on 26 January after 10 days of intensive discussions on protecting the diversification of living things on earth and the rational use of natural resources, as well as environmental protection and sustained developments.

This was another important international conference on global environmental protection after the UN-sponsored conference in Rio de Janeiro in 1992 to discuss environment and development. The theme of the conference was "caring for the earth and its residents." The 1,300 or so representatives from 118 countries and regions presented and adopted over 100 motions about protecting the environment and promoting sustained development.

Unlike previous international conferences on the environment, experts attending the just-concluded meeting showed greater concern for conditions which people depend on for development as well as for the rational use of the earth's natural resources. They pointed out that the industrial powers' destruction and waste of large amounts of resources during their development processes must not be repeated.

The three-year strategy the conference has drawn up for the union consists primarily of urging and assisting countries to protect the integrity and diversification of the environment so as to ensure the rational use of natural resources, and encouraging government and non-government organizations to continue their cooperation in protecting natural resources.

On 25 January the conference, by a majority of votes, vetoed a motion sponsored by some members that vilifies the Chinese Government for destroying Tibet's natural environment and resources. Taking the floor at the conference, the Chinese representative condemned the motion, saying that it was a political motion intended to incite "Tibet independence." He pointed out that the motion's accusation that the Chinese Government has ravaged Tibet's environment is "totally groundless." [passage omitted]

U.S. 'Appreciates' DPRK Cooperation in MIA Accounting

OW0202002194 Beijing XINHUA in English 0001
GMT 2 Feb 94

[Text] Washington, February 1 (XINHUA)—The U.S. Government appreciates cooperations of the Democratic People's Republic of Korea (DPRK) in helping account for Americans missing in the Korean war, the Defense Department said here today.

The Pentagon has announced the identification of remains belonging to a U.S. soldier previously list as missing from the Korean war.

"This is the first such identification of remains returned to us by the Korean People's Army since the end of the war," said the Pentagon spokeswoman Kathleen Delaski at a regular news briefing.

This soldier's remains were returned with a group of 33 remains that the DPRK handed over to U.S. last November 30.

The Pentagon has tentatively identified four other sets of remains, but those associations must be studied and affirmed by an Army review board before they are announced as positive identifications.

"The U.S. Government welcomes and appreciates the cooperation of the Korean People's Army that resulted in accounting for this American soldier," Delaski said.

"We hope that such cooperation will lead to increased results in the future," the spokeswoman added.

Russian, NATO Commanders Meet, Discuss Expanding Ties

OW0202013994 Beijing XINHUA in English 0122
GMT 2 Feb 94

[Text] Moscow, February 1 (XINHUA)—Russia and the North Atlantic Treaty Organization (NATO) are ready to widen military cooperation, according to the head of the Russian armed forces general staff.

Colonel-General Mikhail Kolesnikov told visiting NATO supreme allied commander in Europe Henning von Ondarza today: "Our general staff is studying the Partnership for Peace Program, which contains good ideas and will boost our rapprochement with NATO."

The Partnership for Peace Program, proposed by U.S. President Bill Clinton at a NATO meeting in Brussels early January, was later discussed during Clinton's summit talks with Russian President Boris Yeltsin in Moscow.

Kolesnikov advised Von Ondarza of the peace-making efforts of Russian troops in the former Yugoslavia, the Pridnestr region, Tajikistan and other regions of the former Soviet Union, the ITAR-TASS NEWS AGENCY reported.

As he arrived in Moscow for a four day visit, General von Ondarza said NATO intends to discuss details of cooperation with Russia.

He has so far met Russian Army commander-in-chief Colonel-General Vladimir Semyonov, visited the Kantemirovskaya Guard Tank Division and acquainted himself with combat training and military routine.

Kolesnikov said the Russian Defense Ministry hopes the contact will improve planning, organization, preparation and implementation of peace-keeping operations that involve Russian units.

According to well-informed sources here, a draft program for Russian-NATO military cooperation from 1994 was discussed at a meeting between the Russian Defense Ministry and NATO last week in Moscow.

The draft includes 50 military arrangements, namely exchange visits of Russian and NATO military command and experts, joint exercises and training, training of Russian officers at NATO units and educational establishments and mutual invitations to military exercises.

Magazine Views President Clinton's Moscow Visit

OW0202045494 Beijing BEIJING REVIEW in English
No 5, 31 Jan-6 Feb 94 p 21

[By Huang Huizhu: "Clinton's Visit to Moscow and U.S.-Russian Relations"—BEIJING REVIEW headline]

[Text] U.S. President Bill Clinton ended his three-day formal visit to Russia on January 15, 1994. The U.S.-Russian summit and the documents signed by the two sides indicated that although there is some progress in building up the U.S.-Russian "partnership," disagreements remain on a series of issues concerning their own respective interests.

Clinton visited Russia after Russia had just elected its new parliament last December. The Moscow Declaration claimed that the U.S.-Russian relations had entered into a new stage of a matured strategic partnership.

The first achievement of the visit is that Russia, the United States and Ukraine signed an agreement on eliminating nuclear weapons on Ukrainian soil, removing the major obstacle that has been affecting Kiev's relations with Moscow and Washington. Ukraine is the third largest nuclear power in the world with 176 strategic missiles and about 1,500 nuclear warheads, all aimed at the United States. Russia is concerned about its nuclear neighbor too. After numerous rounds of negotiations, while pressing Ukraine, the United States and Russia also made certain compromises promising security and economic compensation. Ukraine's consent to eliminate the nuclear weapons in its territory served to finally relax the United States and Russia. Clinton pointed out that only after the United States and Russia

have built up this "partnership" will it be possible for Belarus, Kazakhstan and Ukraine to agree to eliminate their nuclear weapons.

On bilateral relations between Russia and the United States, Clinton reiterated his support for Yeltsin and his reform policy. Meanwhile, Clinton also voiced his support for new political forces advocating "a market economy and democratic values" in Russia. The agreement further pushed bilateral trade and economic relations forward. Russia's agreement to sell 500 tons of uranium to America in the next 20 years settled one of the most controversial issues in the bilateral trade war of the last two years. Clinton also announced plans to lift most of the restrictions on Russia's commodities entering the U.S. market, a big gain for Russia which is working hard to become an equal trade partner with the West.

Another important topic discussed at the summit was security. While Russia was worrying about NATO's granting membership to former Warsaw Pact countries and Baltic nations, Clinton appeased Russia with the "Partnership for Peace" plan which had just been approved at the NATO summit. To some extent, the plan has taken into consideration Russia's security interest and decided to achieve the integration of NATO and Middle and East European countries through different stages. Thus it put Moscow's worries to rest.

It was commented that Clinton's visit didn't bring anything new into the bilateral relations. The disagreements between the two nations on certain important issues will continue to affect the development of the bilateral relations, such as the regional conflicts in former Soviet Union. Moreover, in regard to bilateral economic relations, Yeltsin reiterated that Russia doesn't count on America's aid but asks the United States to open its market and eliminate trade restrictions. In addition, the two sides have differences on the issue of Bosnia and Herzegovina and Russia's relations with three Baltic countries.

The prospect of the "strategic partnership" between the United States and Russia depends on not only the Russian domestic political situation, but also on the stand the two sides will take on the above issues in the future.

Over 30 Foreign Leaders, Many Entrepreneurs Visit in '93

OW0102093294 Beijing XINHUA in English 0852
GMT 1 Feb 94

[Text] Beijing, February 1 (XINHUA)—More than 30 foreign heads of state or government visited China last year, and with them, came a large number of entrepreneurs from these countries.

In early spring, about 130 Spanish economic figures came with their Prime Minister Felipe Gonzalez, who was the first foreign government leader to visit China in the year.

Then, within several months, more entrepreneurs came with the Singaporean prime minister, Philippine president, Malaysian prime minister and Thai prime minister.

A 50-member economic delegation accompanied Israeli Prime Minister Yitzhaq Rabin on his China tour, and many leaders of world-renowned corporations came in the company of German Chancellor Helmut Kohl.

Delegations with the prime ministers from Austria and New Zealand and the president of Mexico were also well stocked with people from their economic circles.

Observers noted here that so many economic delegations came to visit China along with the top leaders of their countries was a new development in recent years, last year in particular.

The development, they said, indicated that the economic circles of foreign countries attached greater importance to the Chinese market, and that Sino-foreign exchanges are becoming more pragmatic.

During their visit, foreign entrepreneurs saw for themselves the achievements China has made in the reform and opening drive, and this helped enhance their interest in investing in China.

They made extensive contacts with people from the Chinese economic circles, and signed many documents of cooperation.

Several cooperative agreements were reached between China and Spain; with the Philippines, Thailand and Malaysia, China signed nine, ten and 30 agreements, respectively; over 20 Sino-German agreements were signed last year, worth 2.8 billion U.S. dollars.

More important, the visits indicated that China's trade partners, such as Thailand and Malaysia, the Western developed countries and the Latin-American countries are attaching great importance to developing bilateral trade and economic ties with China.

Their governments also encouraged their economic circles to invest in China. Almost all leaders expressed such intention during their stay in China.

Prime Minister Gonzalez told Chinese and Spanish entrepreneurs that investors should choose regions where long-term economic growth could be maintained, and China is such a region.

"The Spanish Government is aware of it, and will support investment in China," he said.

According to Goh Chok Tong, Singaporean prime minister, his government encourages its people to invest abroad, and China is the place to which "they should give priority".

Fidel Ramos, president of the Philippines, said that his government wants every Philippine businessman to see China personally and get to know China's economic achievements of recent years.

Chancellor Kohl also said that Germany is "very interested" in developing relations, especially economic and trade cooperation, with China.

On the other hand, the entrepreneurs got pledges from the Chinese Government that the country will stick to its reform and opening policy.

Premier Li Peng told visiting Spanish entrepreneurs that China will open wider to Western countries, including opening markets previously restricted in China.

When meeting with German economic figures, Premier Li Peng said that the socialist market economy should be connected with the world economy, and he expressed his hope that foreign investors would put their investments into construction in the fields of infrastructure, such as transportation, energy and telecommunications.

Observers said that the visits by such a large number of entrepreneurs with heads of state or government showed that Sino-foreign economic and trade cooperation will develop further in the years to come, and such cooperation will be of mutual benefit.

Southeast Asia & Pacific

Henan's Li Changchun Meets Lee Kuan Yew in Singapore

OW3101223994 Beijing XINHUA Domestic Service in Chinese 1418 GMT 24 Jan 94

[By reporter Cai Ximei (5591 6932 2734); exclusively for newspapers and broadcasting stations in Henan]

[Text] Singapore, 24 Jan (XINHUA)—Li Changchun, secretary of the Henan Provincial CPC Committee, arrived in Singapore at noon today and later went to the Presidential Hall to call on Senior Minister Lee Kuan Yew. The two held cordial and friendly talks.

The seven-member Henan provincial delegation headed by Li Changchun will make an eight-day friendly observation tour in Singapore at the invitation of Minister of Information and the Arts Yeo Yong Boon. Nineteen economic and trade officials and entrepreneurs from Henan Province have come with the delegation.

During their talks, Li Changchun briefed Lee Kuan Yew on Henan's ancient culture and history, communications

and transportation facilities, tourism environment, mineral resources, and the current economic foundation and development plans of the province. He invited Lee Kuan Yew to visit Henan and hoped people from industrial and business circles in Singapore would invest in Henan.

Lee Kuan Yew happily accepted the invitation and said he might visit Henan this autumn. Lee Kuan Yew suggested that to develop the economy and strengthen contacts with the outside world, Henan should first improve its railroad, highway and air transportation, and communications facilities. After the improvement of transportation and communications facilities, Henan will be closer to the outside world. With more people visiting Henan, the province will have more opportunities for economic and trade cooperation.

During the visit, the Henan provincial delegation will also call on other Singapore Government officials and visit Singapore's Yulang Town Industrial Administration, Civil Aviation Bureau, Trade and Development Bureau and other organizations. Li Changchun will hold a lecture meeting on "opportunities for investment in and trade with Henan."

Vietnam Condemns U.S. 'Radio Free Asia' Project

OW3101161294 Beijing XINHUA in English 1529 GMT 31 Jan 94

[Text] Hanoi, January 31 (XINHUA) - Vietnam's leading newspapers have published editorials and articles critical of United States plan to start a "Radio Free Asia" service, calling the plan "wanton interference in the internal affairs of Asian countries."

Setting up "Radio Free Asia" is a mistake by the United States, a Foreign Ministry spokesman was quoted as saying in all daily newspapers.

The U.S. Senate last week debated legislation on the creation of a the radio station, which President Bill Clinton proposed in June, that would broadcast to Myanmar (Burma), China, Laos, Vietnam, and the Democratic People's Republic of Korea (DPRK).

The Vietnamese spokesman said, "the people of Asia believe the aim (of the radio station) is to impose foreign political points of view on them. It represents clear interference in their internal affairs as it aims to provoke instability in these countries."

The plan would not only be harmful to economic and social development in Asian countries but also would affect relations between these countries and the United States, he added.

"NHAN DAN" (the PEOPLE'S DAILY) said in an article today that the U.S. Senate's decision was completely counter to the trend of peace, stability, and cooperation in Asia and in the world. It also violates international law, the paper pointed out.

"QUAN DOI NHAN DAN" (the PEOPLE'S ARMY newspaper) said in a Sunday article that the U.S. decision was a product of the Cold War period and went against the general trend in the Asian region.

The army newspaper said U.S. President Bill Clinton and many other U.S. senior officials have stated that

they respect the sovereignty and the right to self-determination of other countries, and would not intervene in the internal affairs of other countries. The paper said it was a pity that U.S. authorities have now gone back on their word and violated international law.

The article expressed the hope that the United States would make a correct decision in accord with the general trend in Asia and the world.

Political & Social**Reportage on Activities of Li Lanqing****Views Teachers' Law**

OW0102112794 Beijing XINHUA Domestic Service in Chinese 1049 GMT 25 Jan 94

[By ZHONGGUO JIAOYU BAO (CHINESE EDUCATION JOURNAL) reporter Liang Jie (2733 2638) and XINHUA reporter Zhang Yinshu (1728 6892 2562)]

[Text] Beijing, 25 Jan (XINHUA)—Four special groups charged with inspecting the enforcement of the "Teachers' Law" will leave for Anhui, Henan, Shaanxi, and Hubei respectively on 27 and 29 January. Li Lanqing, member of the CPC Central Committee Political Bureau and vice premier of the State Council, told all members of the inspection groups at the Great Hall of the People today that paying back what is owed to the teachers is not an expedient measure and that there must be no further default in teachers pay after paying back what is owed them.

Li Lanqing said: The "Teachers law" adopted at the fourth session of the Eighth National People's Congress [NPC] Standing Committee is an important law in promoting China's education cause. The law must not be ignored; it must be strictly enforced. All localities and departments across the country must resolutely implement the law and use it as a weapon to resolve practical problems encountered by teachers and to further develop a fine social ethics of respecting teachers and education.

Li Lanqing said: Elementary education is the most important layer in China's macroeducation structure. It is something of vital importance to the people's standards and the nation's future. Therefore, we must do everything possible to make our elementary education a success. It is the important responsibility of governments at all levels to make elementary education, including the nine-year compulsory education, successful. Thanks to the efforts of governments at all levels, the question of default in teachers' pay, which had existed in some areas since the second half of 1992, has been mostly resolved. To our knowledge, the problem, however, still existed in a few areas. Resolving the question of default in teachers' pay is a concrete expression of respect for teachers and education. Governments at all levels and people of all walks of life should all take it seriously. Paying back what is owed to teachers is not an expedient measure; there must be no further default in teachers' pay after paying back what is owed them. An appropriate safeguard mechanism must be established.

Zhao Dongwan, chairman of the NPC Education, Science, Culture, and Public Health Committee, and Zhu Kaixuan, minister in charge of State Education Commission, were present at the meeting. Zhao Dongwan said that the emphasis of the current inspection is to find out about: 1) measures adopted by various localities in implementing the teachers' law; 2) progress made in

various localities in paying back teachers' wages; 3) progress made in various localities in implementing the newly announced wage system; and 4) ways to improve the mechanism for ensuring payment of teachers' wages. The four provinces which the inspection groups will visit are places where the question of default in teachers' pay is more serious.

The NPC Education, Science, Culture, and Public Health Committee took the lead in organizing the current inspection. Responsible persons of departments concerned of the Chinese People's Political Consultative Conference National Committee and the State Education Commission were also present.

Sends Spring Festival Greetings

OW0102161794 Beijing XINHUA in English 1542 GMT 1 Feb 94

[Text] Beijing, February 1 (XINHUA)—Vice-Premier Li Lanqing, on behalf of the Chinese Communist Party Central Committee and State Council, today extended spring festival greetings to returned students, Chinese students studying abroad and relatives of these students.

Addressing a party held in the Great Hall of the People, Li said that over the past 15 years, China has sent 200,000 students to study in other countries and 70,000 of them have returned.

The leader praised returned students for their outstanding contributions to reforms, opening up and China's modernization drive.

"The present international and domestic situations are very favorable to China's modernization drive," said Li, who is also a member of the Political Bureau of the party Central Committee.

By deepening reforms, opening wider to the outside world, promoting economic growth and maintaining stability, China is trying to create a socialist market economy and step up the development of social productive forces, he told the party, sponsored by the State Education Commission.

According to the vice-premier, to achieve these goals, it is imperative to continue opening wider to the rest of the world, boldly draw on all useful experience over the world and score achievements in the high-tech field.

In all these areas, returned students shoulder a "major and glorious" task because of their expertise and knowledge, and should make their due contributions, he told the party, attended by 6,000 people.

The leader also praised those still studying abroad for loving the motherland and supporting China's economic construction and development. He invited more such students to return home and work for the motherland.

He urged governments and departments at all levels, as well colleges and universities, to provide fine working and living conditions for returned students so that they

will be able to play a major role in the reform, opening up and the modernization drive.

Hu Jintao, a Standing Committee member of the Political Bureau of the party Central Committee, attended the party.

Before the party began, Hu Jintao and Li Lanqing met with 20 representatives of returned students.

Inspects Hebei Province

OW0102154194 Beijing XINHUA in English 1502
GMT 1 Feb 94

[Text] Shijiazhuang, February 1 (XINHUA)—Governments at all level must strengthen and improve compulsory education in the countryside so as to train a large number of professionals for the economic development of the countryside.

Li Lanqing, member of the Political Bureau of the Central Committee of the Communist Party of China and vice-premier of the State Council, made these remarks during his recent inspection of the mountainous regions of North China's Hebei Province.

Li visited five middle and primary schools in Shijiazhuang, capital of the province, Baoding city and Baoding Prefecture on January 30-31.

He visited schoolrooms and teachers' dormitories and sent regards to the teachers on behalf of the State Council. He encouraged them to make greater contributions to education in the countryside.

Rudimentary education concerns the quality of the entire nation, Li stressed repeatedly during his trip. Governments at all levels must perform rudimentary education work well in the countryside in accordance with local conditions, he said. Li also discussed with provincial officials the development and reform of higher education, vocational education and adult education during his stay in Hebei.

More than 800 million of China's 1.16 billion population live in the countryside.

Hu Jintao Says Retired Officials Still Play Role

OW0102151194 Beijing XINHUA in English 1453
GMT 1 Feb 94

[Text] Beijing, February 1 (XINHUA)—Hu Jintao, a top Chinese Communist Party leader, said today that retired officials of the party and government still play a significant role in helping China's economy to expand, promoting the reform and opening drive and maintaining social stability.

Addressing a reception in the Great Hall of the People, Hu, on behalf of the party Central Committee and the State Council, extended Spring Festival greetings to retired officials throughout the country.

Hu, a Standing Committee member of the Political Bureau of the party Central Committee, said that 1994 is a year "crucial" to the success of China's reform, opening up and modernization drive.

To accomplish this year's reforms and economic construction tasks, it is imperative to follow the party's ideological line of emancipating the mind and seeking truth from facts and the party's work line of relying on the masses, Hu told the 2,000 in attendance.

The reception was sponsored jointly by the Propaganda Department of the party Central Committee, the General Political Department of the Chinese People's Liberation Army and the Beijing Municipal Party Committee.

Hu, who is also a member of the Secretariat of the party Central Committee, said that by relying on and forging close ties with the people, and mobilizing all positive factors in society, "we will certainly be able to surmount all difficulties on our road forward."

The leader praised retired officials for their historic contributions toward victory in the new democratic revolution, the establishment of the socialist system, the development of socialism, and the promotion of reform, opening up, modernization and China's prosperity.

He also called on them to continue supporting various undertakings of the reform and construction and helping younger officials to assume positions of greater responsibility.

According to Hu, China now has more than seven million retired party and government officials. Party committees and government bodies at all levels must strengthen their leadership of work among these officials, he noted.

He pledged to establish and perfect a social insurance system for retired officials in the course of instituting new reform measures.

He also stressed the importance of taking proper measures to help these officials overcome the difficulties in their livelihood, so that they will be able to enjoy their later years.

Editorial Views Propaganda, Ideological Work

CM0202125494 Beijing RENMIN RIBAO in Chinese
2 Feb 94 p 1

[Editorial: "The Whole Party Must Attach Importance to Propaganda and Ideological Work"]

[Text] The national conference on propaganda and ideological work has closed triumphantly. All localities are now conveying and implementing the guidelines laid down by the conference. Under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as well as the guidance of the basic party line, the conference studied and planned how to intensify and improve propaganda and ideological work

under the new situation, following the guidelines laid down by the 14th National Party Congress and its third plenary session, as well as the principle that we must be firm in carrying out ideological and political work while proceeding with economic construction and opening up to the outside world. Thanks to the CPC Central Committee's kind attention and its direct leadership as well as the efforts exerted by comrades attending the conference, the conference became a meeting that has enabled the participants to understand the overall requirement, achieve a consensus of views, and clearly understand their missions; it was a democratic, united, efficient, and pragmatic meeting in which the participants discussed issues harmoniously and freely; and it was a meeting which has strengthened our confidence and encouraged us to press forward with high fighting morale. The historic meeting certainly will play a major role in ensuring and expediting the victorious development of the cause of building socialism with Chinese characteristics.

Comrades Jiang Zemin, Li Peng, and Zhu Rongji gave important speeches at the conference. In his speech, Comrade Jiang Zemin expounded on the important significance of propaganda and ideological work during the new period and set the fundamental guidance and major missions for propaganda and ideological work. Pointing out that the party must intensify and improve its leadership over propaganda and ideological work, he placed earnest hopes on comrades working on the propaganda and ideological front. The speech is a programmatic document with important guiding significance for the party's propaganda and ideological work during the new period. Party committees and departments in charge of propaganda and ideological work at all levels must earnestly study and understand the document, achieve a greater consensus of views, obey the overall requirement, emancipate their minds, seek truth from facts, heighten their morale, press forward, and earnestly carry out the guidelines and assignments in accordance with the Central Committee's requirements.

The propaganda and ideological front is an important front during our socialist modernization drive. The CPC always attaches great importance to propaganda and ideological work. Since the Third Plenary Session of the 11th CPC Central Committee, Comrade Deng Xiaoping has time and again stressed: "We must place ideological and political work in a very important position and accomplish it earnestly, and we must not slacken our efforts in this regard." He added: "All work on the ideological front must be strengthened." During the past two years, guided and encouraged by the important speeches which Comrade Deng Xiaoping gave in southern China and by the guidelines of the 14th National Party Congress, China's reform, opening up, and socialist modernization drive have entered a new stage imbued with life and vitality. The recent Third Plenary Session of the 14th CPC Central Committee made an overall and systematic planning for building a socialist market economic system, and the national economic conference has also provided specific plans for

achieving a sustained, fast, and healthy national economic development. The overall requirement set for the party is to seize the opportunity to deepen reform, open wider to the outside world, expedite development, and maintain stability. The new situation has presented a series of new assignments, new issues, and new requirements for propaganda and ideological work. Historical experiences tell us that the deeper our reform and the faster our development, the more necessary it is for us to intensify and improve propaganda and ideological work and to intensify our socialist spiritual construction. While the majority of comrades in our party are attaching importance to propaganda and ideological work and are quite firm in attending to this assignment, some comrades do not have sufficient understanding of the importance of intensifying propaganda and ideological work as well as spiritual construction. The problem of "being tough on the one hand and soft on the other" still exists in one way or the other when they do their work. During the course of spiritual construction, there are still noteworthy problems regarding party conduct and the general mood of society. This situation must be corrected immediately. To successfully accomplish their propaganda and ideological work, our comrades must understand the importance of propaganda and ideological work from the overall strategic requirement of building socialism with Chinese characteristics, understand the urgency of propaganda and ideological work from the historical assignment of deepening reform and expediting development, and understand the formidability of propaganda and ideological work from the real need of socialist spiritual construction.

Doing a good job in propaganda and ideological work is not just a task of propaganda and ideological departments and workers of those departments, but is the task of the whole party, especially the party's leading organs at various levels. For a long time, Comrade Deng Xiaoping has raised the call that the party's leading organs, in addition to grasping principles and policies and making decisions on the employment of important cadres, should devote their main efforts in ideological and political work. The principal responsible comrades of party committees at various levels should strive to overcome the thinking of considering propaganda and ideological work as a "soft task." They should firmly implement the principle of "grasping both material progress and ideological and cultural progress and placing equal emphasis on both," put propaganda and ideological work and the building of spiritual civilization on the party committee's important daily agenda, and effectively strengthen and improve their leadership over propaganda and ideological work. It is necessary to pay attention to studying and mastering the law of propaganda and ideological work, be good at closely linking propaganda and ideological work with economic work and other tasks, and use propaganda and ideological work to promote and lead economic construction and other work. We should constantly go into the midst of the propaganda and ideological front to investigate and study, sum up experiences, put forward methods, solve

problems, show more concern, and give more support and help to propaganda and ideological work. From now on, in evaluating the work of leading cadres and leading groups, we should consider whether they attach importance to propaganda and ideological work and whether they are good at leading propaganda and ideological work as an important part of judging their political quality and leadership level. We should consider the results of propaganda and ideological work and of the building of spiritual civilization as an important part in evaluating the work of an area, a department, and a unit.

To strengthen propaganda and ideological work, we should have a contingent of workers armed with the theory of building socialism with Chinese characteristics—Marxism in contemporary China [dong dai zhong guo di ma ke si zhu yi 3981 0108 0022 0948 4104 7456 0344 1835 0031 5030]—who are loyal to the cause of the party and the people, and competent politically and professionally with good workstyle. We now have a several million-strong team consisting of theoretical, news, publication, and literary and art workers, and grass-roots propaganda and ideology workers, and this is a great army which is extremely valuable in promoting the construction of the two civilizations. The party and the people have great expectations for this team. Propaganda and ideology work is a very important and glorious job, but also a fairly arduous and rather painstaking job. This then requires our propaganda and ideology workers to have the spirit of making selfless contributions and arduous struggle. Perhaps our work will not bring material benefits to individuals, but it will bring benefit to the motherland and people; perhaps our names will not be among the list of names of heroes of the times, but our contributions will be compiled into the splendid annals of the great undertakings of hundreds of millions of people. Marx said: "If we choose a profession which could provide the most material benefits to mankind through our labor, then, the heavy burden will not overwhelm us, because we are giving our life for the people; what we feel then will not be pitiful, limited, and selfish delight, for our happiness will belong to thousands of millions of people....." This should become a motto for each of us propaganda and ideology workers. Our party, government, and people have always had great confidence in and lent vigorous support to propaganda and ideology workers, and the propaganda and ideology workers should be proud of that, increase their sense of honor and responsibility, justify the great trust placed in them by the party and people, and unceasingly create new outstanding achievements.

In the glorious undertakings of building socialism with Chinese characteristics, propaganda and ideological work is the scaffold for constructing the large building of the two civilizations, the boost motor for the ship of reform and opening up to cleave the waves and move forward, and the bugle for advancing for the hundreds of millions in the construction army to scale a new height. At the beginning of the new year, the party Central Committee with Comrade Jiang Zemin as the core

convened a national propaganda and ideology work meeting, and this greatly inspires and spurs on comrades of the whole party, especially all comrades on the propaganda and ideology front. We must seize opportunities, do solid work, and work hard to bring propaganda and ideology work to a new level so as to arm people with scientific theory, to guide people with correct public opinion, to mould people with a lofty spirit, to inspire people with works of excellence, and to make new contributions that win us new victory in the undertaking of building socialism with Chinese characteristics.

Yang Shangkun 'Exposed to Danger' in Shenzhen
HK0102124094 Hong Kong CHENG MING in Chinese
No 196, 1 Feb 94 pp 9-10

[Article by Li Tzu-Ching (7812 5261 0079): "Yang Shangkun Meets With Mishaps in Special Economic Zones"]

[Text] Yang Shangkun Was Exposed to Danger

Astounding news items traveled fast from Shenzhen to Beijing one after another like shooting stars.

And certain news items even found their way into Zhongnanhai, causing the hearts of supreme CPC leaders to beat faster.

The latest astounding news was that Yang Shangkun was attacked in the Shenzhen Special Economic Zone.

Yang flew to Shenzhen from Beijing 8 January. According to the joint arrangements by the CPC Central Committee General Office, the Guangdong Provincial CPC Committee, and the Yang Shangkun Office, Yang was to spend one week in Shenzhen. Beginning 10 January, he was scheduled to visit two fairly large foreign-funded joint-venture enterprises; meet with scientific and technological personnel and financial experts in Shenzhen as well as elderly Shenzhen citizens; visit the animal park and the Splendid China miniature scenic spots; attend an organization meeting of Shenzhen's veteran cadres; meet with representatives from Shenzhen's armed police and public security and judicial departments; attend a forum of representatives of the teaching staff of Shenzhen's colleges and high schools; and go sightseeing in the city. However, all these arrangements were changed very quickly.

Yang was scheduled to stay at the Nanhai Hotel for one day and the Shenzhen Bay Hotel for another but the plan was scrapped later. The reason was that Yang was exposed to danger. At midday on 10 January, a squad of special police was transferred from Guangzhou to reinforce Yang's security team.

Homemade Bombs Were Delivered to Yang and the Shenzhen City CPC Committee

—On the morning of 9 January, a stolen car containing five kg of explosives, petroleum, and detonators, was found 20 meters from the Shenzhen Guest House. In

the afternoon of the same day, a black leather bag was discovered in the joint Shenzhen City CPC Committee and Government reception room. In the bag were two homemade bombs, on which was written: "One for Yang Shangkun and the other for the city party committee" and signed "Communists."

—On the evening of 9 January, the city party committee and the city's public security bureau received an anonymous telephone call threatening to destroy Yang's special car and saying a time bomb had been planted in a certain place.

—At midday on 10 January, "reactionary" posters and leaflets were found in Shenzhen and Shekou which read: "Do not be misled by the false appearances covering up the corrupt Shenzhen City CPC Committee!"; "What is the difference between the Kuomintang in 1949 and the Communist Party in the 1990's?"; "If Yang Shangkun rids the people of a scourge, he is welcome; if he shelters officials, he must quit!"; "Shenzhen is not the people's paradise but a place where high officials and noble lords gain fame and fortune."

It has been learned that leaflets were elegantly printed and their contents were endorsed by Shenzhen residents. The local government has ordered the public security bureau to crack the case and regard it as a serious one. They want to prevent the news about the case from spreading.

A Demobilized Soldier Threw a Bottle of Liquid Fuel at Yang's Car

On the morning of 9 January, Yang spent an hour taking a walk in the Four Seas Park. As he was getting in his car to leave an emergency occurred took place within two meters of his car and a person in his thirties was arrested by the special police. According to a report, the Molotov cocktail thrower, called Xu, was a local demobilized soldier-turned security chief of a certain luxury hotel. He darted through the cordon and threw the Molotov cocktail at Yang's limousine. When the bottle hit the ground the liquid splashed toward the car but the flames were immediately put out by the special police using the fire extinguishers in the car.

In the evening of the same day, shots were heard outside the Silver Lake Hotel where Yang was staying. The local public security bureau disclosed that some people fired shots into the air over the Yinhu Hotel and over the Shekou China Merchants Steam Navigation Company Guest House for senior cadres, where Yang was supposed to stay.

It is reported that the Shenzhen City CPC Committee Standing Committee and leading cadres of the Shenzhen Public Security Bureau were kept very busy by the incidents. When the CPC hierarchy learned about the incidents, they were concerned for Yang's safety. As a

result, Yang's itinerary was amended and an additional two special police vehicles were ordered to escort him as of 10 January.

Eight Units Asked for an Interview With Yang To Present Petitions

On 11 January, representatives from eight local government departments went to the city party committee secretary's office to ask permission to see Yang and submit petitions. The government departments reportedly included the local procuratorate, court, and discipline inspection commissions. Some government departments in other areas across the province also sent representatives to Shenzhen to ask for an interview with Yang and present petitions when they learned that Yang was there. According to a source, the staffers of the city party committee adopted a rude attitude towards the representatives and the two parties had a row. The city committee standing committee members on duty told the representatives to write directly to the central authorities or to Yang to make complaints. It is reported that most complaints concerned corruption in the party and government departments including manmade resistance and pressure encountered by judicial departments in investigating and handling serious economic cases as well as collusion between local and central departments in practicing graft and taking bribes.

The Shenzhen Discipline Inspection Commission some days ago told the provincial party committee that 80 percent of criminal cases defied investigation and that 70 percent of discipline inspection commission members had asked to be transferred to other posts.

When commenting on the incidents in Shenzhen and Shekou, a Beijing public security cadre conjectured in private that the incidents were organized by some people who were angry with corruption and bureaucracy in the party and government departments. He added: "Of course, we cannot rule out the possibility that the incidents were caused by personal grudges. Yang was possibly only an 'innocent victim.' The incidents were more likely designed to serve as a warning to the hierarchy: You must not always praise the special economic zone; instead, you must try to find out the situation with the party, the political situation, and public opinion."

The cadre said: Nobody should use violence, no matter what kind of grudge they may have. "On the other hand, the central authorities should make a self-examination and draw a lesson from the incidents—they should allow the people the freedom to vent their spleen instead of strengthening the dictatorship."

Security Personnel Make Guns, Drugs Seizures

HK0102100494 Beijing FAZHI RIBAO in Chinese 16 Jan 94 p 5

[By RENMIN GONGAN BAO reporter Sun Baoye (1327 1405 0673), staff correspondent Li Bingtian (2621 3521 1131) and staff reporter Sun Chunying (1327 2504

5391): "Eradicate All Vices—a Record of How Guns and Drugs Are Seized in the Southwest Border Areas"—first three grafts are FAZHI RIBAO introduction]

[Excerpts] Material provided by authoritative departments shows that gun and drug trafficking in the southwest border areas has tended to become increasingly rampant. Despite a sustained, continuous, and severe crackdown on such activities, they are still spreading.

In 1992, the public security organs of Yunnan and Guangxi Provinces uncovered 36 armed drug trafficking gangs. The gangsters openly resisted inspection and arrest. Gun fights occurred on several occasions and seven policemen and officers died while 26 were wounded.

Guns and drugs originate from the same source and go side by side. Drug trafficking protected by gun trafficking has gradually become more conspicuous and there is no end of trouble for the future. The Ministry of Public Security has determined to adopt extraordinary measures and will strive to stop the smuggling of guns and drugs within the boundary of the southwest border areas within three years in a bid to provide a basic solution to the problem of gun and drug trafficking.

I. Guns and Drugs Come From Abroad and Are Trafficked Everywhere in China

China's southwest borders on the world's biggest source of drug production, the "golden triangle." In the past few years, the area of land growing opium poppies in the "golden triangle" has been enlarging. The output of opium has constantly increased and drug processing has developed very rapidly. In 1992, the output of opium was already as high as 2,500 tonnes and there were more than 60 heroin processing plants. The international drug trafficking syndicates have tried by every means to open up a "passageway in China." Some lawbreakers in China have put money before everything else, colluded with drug lords outside our borders, taken part in the transfer of drugs, and aggravated the vicious development of drug trafficking. Armed separatist regimes in Burma regard drug trafficking as the main source of their operational funds and the amounts of drugs entering China from Vietnam and Laos are increasing. This has resulted in the expansion of the drug "market" and has abetted the development of drug trafficking in China. According to statistics, in the early 1980's, the number of drug trafficking cases cracked in China was less than 1,000 a year but in 1992, the number of drug trafficking cases cracked reached as many as 14,000.

Guns and drugs originate from the same source and they go side by side. Because of war and armed separatist regimes, a large number of military weapons are scattered among the people in Vietnam, Laos, and Burma and these guns are sold in the border areas of China. Some domestic criminals and criminal gangs in Hong Kong, Macao, and Taiwan have tried very hard to obtain guns from the southwest border areas in China. According to statistics, 1,205 cases of gun trafficking

occurred across the country in 1992, of which 464 were filed in Yunnan, Guangxi, and Hainan, accounting for 39 percent of the total.

According to reports, half of the military weapons seized in Yunnan Province in 1993 came from the Sino-Vietnamese border areas. [passage omitted]

II. The Criminal Gangs Have Combined Supply, Transportation, and Sales

The amount of weapons and drugs trafficked by individuals is far less than that by criminal gangs. At present, most gun and drug trafficking activities are international criminal activities. Domestic criminals have colluded with criminals outside to form professional and international syndicates and they have combined supply, transportation, and sales. This has an abominable impact on the society.

[Passage omitted] It is said that a considerable amount of drugs are sold to Taiwan via the mainland. On 13 May 1993, a border defense detachment in Quanzhou, Fujian Province, found 36 kg of heroin on a Taiwan ship. The heroin originated in the southwest border areas.

The Longgang Border Defense Station in Shantou, Guangdong Province, unexpectedly seized during inspection 34.2 kg of drugs on a Taiwan fishing boat. [passage omitted]

In 1992, Yunnan cracked 15 major cases of heroin trafficking, in each of which over 30 kg of heroin was seized. All such heroin trafficking was carried out by criminal gangs.

III. The Southwest Border Areas Have Become "Areas Seriously Infested" With Gun and Drug Trafficking: "When the City Gate Catches Fire, the Fish in the Moat Suffer"

The boundary line between Yunnan and Guangxi on the one side and the neighboring countries on the other is very strange. A road, a small river, or a low bank of earth between fields can be a national boundary. The national boundary even passes through a building and one part of the building is in one country and the other part in the other. When the local people start cooking their meals and find they have no more soya sauce, they can go and buy soya sauce from the other country and return to continue their cooking. It can thus be seen that under such circumstances, infiltration can hardly be prevented. Much less is it easy to stop the activities of international criminal syndicates which are trying to open up a passage, an entrepot market, and a consumers market in China in an organized and premeditated manner.

According to reports, gun and drug trafficking in the border areas of Yunnan and Guangxi is very conspicuous and such areas have become the most seriously infested gun and drug trafficking areas in China at present in terms not only of the increasing number of gun and drug cases but also of the abrupt growth in the number of major cases.

According to reports, in 1992, the public security organs cracked 5,609 drug trafficking cases in Yunnan and Guangxi, 14 percent more than the previous year and accounting for 38.2 percent of the total number of drug trafficking cases in China; 3,974 kg of heroin was seized, 1.5 times more than in the previous year and accounting for 88.5 percent of the total amount seized in China; and 1,190 military weapons were seized, 1.9 times that in the previous year and accounting for 80 percent of the total seized in China. From January to December 1993, the number of military weapons seized by the public security and border defense departments in Guangxi was more than 2 times over that for the whole of 1992. In Yunnan alone, 68 major cases of drug trafficking involving over 10 kg of drugs each were cracked in 1992, 84 percent up on the previous year; and from January to September 1993, 81 major cases of this kind were cracked, 20 cases more than the same period the previous year. [passage omitted]

IV. Gun and Drug Trafficking Has Led to a Lot of Problems in Social Order

The easy access to guns and drugs in the southwest border areas has led to a series of problems in social order:

The number of drug addicts has increased by a large amount. In 1992, over 40,000 drug addicts were registered in Yunnan and Guangxi.

Gun trafficking, drug trafficking, and drug abuse have induced a rise in various other criminal cases in the border areas. In 1992, the shocking number of nearly 100,000 criminal cases occurred in Guangxi.

Drug trafficking has caused serious damage to the national economy in the border areas. In 1992, over 100 million yuan flew out of the country because of drug trafficking.

Large stockpiles of guns held in the border areas in the course of drug trafficking have become an extremely important hidden danger to local social order. The rising prices of guns will also increase by a big margin the number of cases of illegal manufacture of guns.

[Passage omitted] In China, the number of criminal cases involving the use of guns has increased annually and the number of cases where guns have been used to murder or rob has increased by a big margin. This is directly related to the rampant gun trafficking activities in the southwest border areas. The gun used in the "1.31" case to kill a Beijing taxi driver in March 1993 was bought in Yunnan. In 1992, several hundred cases of using guns to commit crime occurred in Guangdong and Hainan. Of the 130 military weapons seized in Guangzhou City alone, 72 were bought by criminals from Guangxi, 34 from Vietnam, and six from Yunnan.

At present, over 600 cities and counties have discovered drugs or guns trafficked from Yunnan or Guangxi. Some of them have gone to Hong Kong and Macao for bank

robberies and kidnappings. This has not only adversely affected the social order of Hong Kong and Macao, but also seriously damaged China's image.

[Passage omitted] It is high time we resolutely made our minds up to thoroughly resolve the problem of gun and drug trafficking in the southwest border areas. At the beginning of 1993, Tao Siju, minister of public security, chaired two ministerial work meetings to specially study work in this respect. In June 1993, the Ministry of Public Security held a work meeting on seizing guns and drugs in the southwest border areas and explicitly put forward the task of adopting an extraordinary attitude and measures and striving to basically stop guns and drugs from entering the territory within three years.

V. Three Defense Lines Have Been Set Up To Stop Gun and Drug Trafficking in Border Areas of Yunnan and Guangxi

[passage omitted]

VI. Work To Seize Guns and Drugs Develops With Irresistible Force

In the fight against gun and drug trafficking, the public security and border defense departments of Yunnan and Guangxi Provinces have mobilized the strength of the whole society and have waged a people's war with great efforts. At present, a struggle by the masses of people to seize guns and drugs has been extensively launched in the southwest border areas. There have been numerous incidents of people reporting information about drug crimes and assisting public security organs to arrest criminals. On 31 August 1993, after a village cadre of Fengyi Town, Dali City, Yunnan, discovered a drug trafficker, more than 50 common people helped the policemen to search the hills despite the rain. They arrested the criminal and seized 6.8 kg of heroin. Since June 1993, the public security and border defense departments have received 213 reports on gun trafficking made by the common people. Thanks to these reports, 12 military weapons and several handgrenades were seized and 15 gun traffickers were arrested.

Since the June 1993 Ministry of Public Security meeting on work to seize guns and drugs in the southwest borders, reports on victories scored by the "three defense lines" in the southwest border areas have come one after another.

On 28 June, the Dongfengqiao Checkpoint at Baoshan, Yunnan Province, seized 3.6 kg of opium from a car from Tengchong and arrested a drug trafficker.

On 13 July, the Longzhou Border Defense Headquarters in Guangxi Province cracked a gun trafficking case and seized a U.S. weapon, 40 rounds of ammunition, and a handgrenade.

In eight days from 3 to 10 August, the Nasuo Public Security Border Defense Checkpoint in Guangxi cracked seven gun trafficking cases, seized 10 military weapons

and 12 antitank grenades, and arrested 14 gun traffickers. The checkpoint also cracked a drug trafficking case, seizing 360 g of heroin and arresting two drug traffickers. To commend the checkpoint, the Ministry of Public Security awarded it the Merit Citation 2d Class and awarded all the personnel in the checkpoint and other people concerned merit citation and material rewards.

On 25 September, the Mengdong Border Defense Substation in Yunnan seized a light machine gun, a heavy machine gun, and a "40" [as published] rocket launcher. On 27 September, the Dehong Border Defense Detachment cracked a major drug trafficking case at Jiegao, Ruili County, and seized 14.5 kg of drugs.

By the end of September, the Yunnan Border Defense Headquarters had cracked 501 drug trafficking cases, of which 20 were major cases involving 10 kg of drugs each, arrested 595 drug traffickers, and seized over 510 kg of heroin and over 550 kg of opium. The headquarters also had cracked 57 gun trafficking cases, seized 75 military weapons, 12 rocket launchers, and 9,789 rounds of ammunition.

On 15 December, the Aidian Border Defense Work Station in Guangxi laid an ambush on the Chinese side of a certain boundary tablet and seized 13 military weapons and 39 rounds of ammunition.

On 24 December, the Ningming County Border Defense Headquarters in Guangxi cracked a major case of gun trafficking and seized 10 military weapons and 40 rounds of ammunition.

Up to December, the Guangxi Border Defense Headquarters had cracked over 100 gun trafficking cases, seized over 200 military weapons, 845 handmade guns, 5,600 rounds of ammunition, and 146 antitank grenades, and arrested 129 criminals. The headquarters had also cracked 42 drug trafficking cases, seized over 3,000 kg of opium and 7 kg of heroin, and arrested 50 drug traffickers.

[passage omitted]

Report on Crime, Punishment in PRC 1-15 Jan HK1801113794

[Editorial Report] The following is a compilation of reports on crime, investigations, trials, sentencings, and other judicial-related activities in the PRC during the period 1-15 January. The source and mode of processing are given in parentheses at the end of each entry. As evidenced by the stories listed below, during the month PRC crime reportage focused on theft, highway robbery, and the results of the anticorruption campaign.

Central

A major criminal syndicate involved in the abduction and sale of women has been cracked in Togtoh county, Inner Mongolia, and 44 of its 69 members have been

sent to prison. The case involves nine prefectures and cities and 18 banners, counties, and cities in Yunnan, Shanxi, Sichuan, Shaanxi, and Inner Mongolia. The syndicate preyed on the Jiuyanqiao labor market in Sichuan's Chengdu, where it tricked over 200 women aged between 15 and 41 using the pretense of doing business and recruiting workers and then sold them to Inner Mongolia's Qingshuihe County, Jungar Banner, Tumd Left Banner, Siziwang Banner, and other rural areas. (Summary) (Beijing GUANGMING RIBAO in Chinese 20 Dec 93 p 4)

The Fujian Provincial Higher People's Court recently sentenced to death nine culprits in seven major criminal cases: 1) Wang Weimin, a 22-year-old man from Zhangpu County, committed 19 armed robberies with six accomplices from February to April and received 4,287.5 yuan as his share of the spoils. He was executed in Zhangpu County on 9 December. 2) Zhong Qingliang, a 22-year-old man from Wuping County, colluded with two accomplices to rob the Xinglong Restaurant in Longyan City of over 27,000 yuan in the small hours of 26 March 1993 and received over 15,000 yuan as his share of the spoils. He also committed 19 thefts between May 1990 and September 1992. He was executed in Longyan City on 13 December.

3) Ouyang Zhongye, a 38-year-old man from Hunan, and accomplice Liu Feng went to Yingcheng County, Hubei, and stole over 70,000 yuan worth of gold, over 30,000 yuan in cash, watches, and other articles on 5 December 1989. On April 1990, they stole 174,800 yuan worth of gold in Shishi City. Ouyang Zhongye was executed in Shishi on 13 December, while Li Feng was sentenced to death with two years' probation. 4) Peng Qiang, a 22-year-old man from Sichuan, and Wang Hejun, a 23-year-old man from Sichuan, went to Jinjiang City, and colluded with other culprits to commit more than 10 thefts in Shishi, Jinjiang, and other localities, stealing property worth over 14,000 yuan. They were executed in Jinjiang City on 14 December.

5) Jiang Wenhong, a 24-year-old man from Guangdong, and Rao Shizhao, a 19-year-old man from Yongding County, rallied other culprits to commit crimes in Yongding, Yong'an, and Longyan from March to May 1993, plundering and stealing property worth 25,118 yuan. They were executed in Longyan City on 13 December. 6) Wu Zhilie, a 25-year-old man from Putian City, colluded with other criminals to commit 16 robberies between June 1988 and March 1992, in which he stole over 600 yuan in cash and other articles. He was also involved in 10 incidents of hooliganism. He was executed in Putian County on 11 December. 7) Wang Shujie, a 25-year-old man from Shandong, colluded with other culprits to commit several burglaries in Xiamen City and stole over 35,000 yuan, 1,178 Singapore dollars, over 20 Foreign Exchange Certificates, and a number of electric appliances. He was executed in Xiamen on 15 December. (Summary) (Fujian FUZHOU RIBAO in Chinese 22 Dec 93)

According to the 7 January edition of the GANSU LEGAL DAILY (GANSU FAZHI RIBAO), a Lanzhou court sentenced 12 criminals to death at the end of last month. Among the 12 were two drug traffickers caught with a total of 847 grams (30 ounces) of heroin. The sentences were handed down at a public rally and carried out immediately.

On 9 January, the SHANDONG DAILY (SHANDONG RIBAO) reported that a court in Shandong province publicly tried a gang of highway robbers who had held up buses and taxis over a period of several months, forcing passengers to hand over their money at knife point. The court sentenced all 11 gang members to death but suspended the sentences in five cases. The other six were executed immediately. (Summary) (Hong Kong AFP in English 0949 GMT 11 Jan 94)

PROVINCIAL

Beijing

The Beijing Intermediate People's Court, which earnestly discharges its judicial duties, recently punished according to the law cadres responsible for economic matters who had embezzled public money and taken bribes by taking advantage of their positions. On 23 December, the court sentenced Jin Zhilin, Zhang Chaolin, Xie Peng, Hua Zhen, Zhang Guimin, Zou Shifang, and Zhao Xiaoguang to death, giving the last four criminals a two-year reprieve. The court also gave Zhao Bin and Li Xinmin prison sentences during the first trial and confiscated the property of those who had been sentenced to death. (Text) (Beijing FAZHI RIBAO in Chinese 28 Dec 93 p 1)

Fujian

Fuzhou City Intermediate People's Court has sentenced Dong Yang-ling, a 20-year-old worker with Gaofu Textile Company Limited, to death for arson. Dong was fired and kicked out of the dormitory in December 1993 because he stole from the company. He snuck into the company's warehouse on 12 December and ignited some yarn. The resulting fire spread to a nearby dormitory for women workers, injuring 15 and killing 61 through burning or suffocation. (Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 1230 GMT 11 Jan 94)

Guangdong

On 24 December 1993, Hu Chile, Liao Yangtong, Han Jinhuan, and Liu Shiquan, who had kidnapped a couple in Nanhai City's Dali Town on the evening of 9 April 1993 and demanded a ransom of HK\$10 million [Hong Kong dollars], were executed in Nanhai City. Four other people who were involved in the same kidnapping case were given prison sentences ranging from 10 to 15 years. (Summary) (Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 24 Dec 93)

Over the past year, the Guangdong marine police intercepted 172 smuggling ships and boats and seized 210 million yuan worth of smuggled goods, including imported cars, home appliances, and cigarettes. Guangdong's marine police constitutes the largest off-shore patrol and security force in China's armed frontier police. Last year, the force had four large transit and patrol boats built, increased the number of duty ships by 20 motorboats, refurbished several radar units and other types of communications equipment, and established a very sophisticated intelligence network. (Summary) (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1042 GMT 2 Jan 94)

A fresh campaign to crack down on highway and railway robbers throughout Guangdong Province opened on 20 December in response to the provincial teleconference's call for such an action to ensure a safe and happy holiday season for the public. By 5 January of this year, the public security organs at various levels in Guangdong Province cracked a total of 109 highway and railway robbery gangs, arrested 470 offenders, and solved 318 robbery cases. (Summary) (Guangzhou Guangdong Radio Network in Mandarin 1000 GMT 6 Jan 94)

During the past two weeks, the Guangdong police cracked 380 cases of crimes committed along the highway and arrested 830 highwaymen. In Huizhou City alone, the police seized 23 stolen cars and motorcycles and 11 guns. The government has now set up 22,000 reporting centers along the over 50,000 highways throughout the province to collect information about the highwaymen's activities so that the police can take immediate action. (Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 1148 GMT 8 Jan 94)

Shaoguan Radio has reported that Shaoguan City's public security personnel cracked a major highway robbery case on 9 January. During the operation, Ye Jinming, Liang Zhentang, and Liang Zhenqiang were arrested; most of the stolen cash—more than 1.1 million yuan—was recovered; and a small-caliber pistol was seized. The robbery occurred on the Guangzhou-Shaoguan highway on the evening of 7 January, when the three robbers intercepted a southward-bound truck, threatened the drivers, shot one of them with a small-caliber pistol, and robbed them of 1.2 million yuan. Following more than 30 hours of investigation, the Shaoguan City, Wengyuan County, and Dabaoshan coal mine public security personnel cracked the case. (Summary) (Guangzhou Guangdong Radio Network in Mandarin 1000 GMT 9 Jan 94)

In a report on the anticorruption struggle given to Guangdong People's Congress officials, Chief Procurator Wang Jun said that the provincial procuratorial organs has handled 905 corruption cases involving 1,036 people and has recovered 100 million yuan over the past five months.

The procuratorial organs cracked large numbers of major corruption and bribery cases, of which 677 cases

involved over 10,000 yuan, accounting for 74 percent of the total. Huang Zongrui, the manager of Guangzhou Baiyun district's Construction and Development Company, was involved in one of the large cases. He embezzled 1.76 million yuan and took a bribe of 340,000 yuan.

A considerable number of the people under investigation were from party and government organs, judicial departments, law enforcement departments, and economic management departments. These four kinds of people under investigation during this period totaled 394, of which 19 were county and office level cadres. The procuratorial organs also received over 13,000 complaints and reports about crime, an increase of 200 percent over the first seven months of 1992. (Summary) (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1207 GMT 10 Jan 94)

Guangxi

Nanning Prefecture has taken effective measures to conduct a special crackdown on drug trafficking and has achieved good results. According to statistics released by the relevant department, from June to 10 December this year, this prefecture cracked 46 cases of gun running and 75 drug trafficking cases, destroyed 22 gun-running and drug trafficking gangs, rounded up 293 criminals, and seized 83 military firearms, 6,010 rounds of ammunition, 110 hand-grenades, 137.2 kg of opium, and 4.74 kg of heroin.

The main reason for the prefecture's success in the crackdown was the efforts of the prefectural party committee and government in extensively mobilizing the masses as well as the coordination between public security departments and frontier armed police units. (Text) (Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 26 Dec 93)

Hainan

In accordance with a decision by the supervisory department of the Central Discipline Inspection Commission, Li Shanyou, the former secretary general of the Hainan Provincial Government Office, has been expelled from the party and removed from all his posts for accepting bribes. Li came to work in Hainan in 1988, after which he was appointed deputy director of the provincial government office and its deputy secretary general. Pursuing ulterior motives, he framed an individual and accepted bribes totaling 400,000 yuan. The case is now being dealt with by the Hainan Provincial Procuratorate, and he will be punished according to the law. (Summary) (Haikou Hainan Radio Network in Mandarin 2300 GMT 24 Dec 93)

Hainan Province's procuratorial organs made consistent progress in the campaign against graft and bribery in 1993. From January to November 1993, the procuratorial sector handled a total of 197 major economic crime

cases involving more than 10,000 yuan each, thus recovering more than 61.9 million yuan for the state. (Summary) (Haikou Hainan People's Radio Network in Mandarin 2300 GMT 6 Jan 94)

Heilongjiang

The latest edition of HEILONGJIANG LEGAL NEWS (HEILONGJIANG FAZHI BAO), received in Hong Kong on 14 January (exact date not given), has reported the arrest of a man who killed eight persons and ate the brains of two of his victims. Hao Kai, 34, a former prisoner released on parole began his bloody crimes in February 1993 in Harbin, when he strangled a prostitute, cut her body up into pieces, opened up her skull and ate her brains. One of Hao's employees discovered the grisly remains just two hours later and was also stabbed to death. Over the next nine months, Hao went on a killing spree, slaying six other people, including his wife. Each was chopped into pieces. His last victim was a friend from whom he wanted to borrow money. In this instance, Hao decided to fry the man's brains, choosing to add some spices in order to improve the taste, the paper said. Hao was sentenced to death on December 23 and execution was carried out immediately. (Summary) (Hong Kong AFP in English 0549 GMT 14 Jan 94)

Henan

On 21 December, the Henan Provincial People's Procuratorate held a news briefing, and Deputy Chief Procurator Chen Gangyin delivered a report on the current case-handling situation. According to the briefing, ever since the central authorities launched the anticorruption campaign last August, a total of 1,934 corruption and bribery cases has been filed for investigation and prosecution across the province, of which 96 have been brought up with party and government organizations, 41 with judicial institutions, 59 with administration and law-enforcement departments, and 242 with economic management organs. The cases involve 32 leading cadres at the county departmental level and above. Among the 1,124 major corruption and bribery cases which involve a sum exceeding 10,000 yuan each, 141 individuals have been accused of taking bribes between 50,000 to 100,000 yuan; 118 between 100,000 to 500,000 yuan; and 21 over 500,000 yuan.

The following cases have had a fairly great negative impact on society: Between 1991 and January 1992 (dates as published), Zhang Jianjie, head of the Agricultural Loans Department of the provincial Agricultural Bank, accepted bribes totalling 15,000 yuan from a factory director for examining and approving the loan application of his factory in Zhengzhou. He also accepted bribes of 150,000 yuan when examining and approving another loan application filed by a rolling mill in Anyang City. Informed against by the masses, Zhang Jianjie was charged by Zhengzhou's Jinshui District Procuratorate on 10 October 1993 for accepting bribes of 192,000 yuan, \$6,500, and various kinds of gold and

silver ornaments valued at 4,128 yuan. The procuratorate has completed its investigation and has sent the case for examination and prosecution.

Fan Zhipei, head of the Financial Department of the provincial Family Planning Committee, received a kick-back from a ship for his purchase of 12 air conditioners for his unit last May. His acceptance of Type-902 split air conditioners worth 9,000 yuan constituted the bribery crime, and his case was filed for investigation and prosecution by procuratorial organs in September 1993. On 20 November of the same year, the procuratorial organs instituted proceedings with the people's court against Zhang Zhipei. When handling purchase control procedures for a unit, Qin Liuquan, deputy director of the Purchase Control Office of the provincial government, abused his power and accepted an air conditioner and a video camera valued at 8,480 yuan. The procuratorial organs have completed their investigation into the case and have sent the case for examination and prosecution. Cui Kejun, head of the Administration and Finance Department of the provincial Financial Bureau; Li Fangting, deputy chief of the Industrial and Commercial Bureau of Luohe City; Ma Xinsheng, deputy head of the Industrial and Commercial Bureau of Sanmenxia City; and Du Guangcai, deputy head of the Industrial Loans Department of the provincial Agricultural Bank are also involved in major corruption and bribery cases.

It has been learned that, among the 98 key cases handled by the provincial People's Procuratorate, investigations have been completed for 76, 37 of which have resulted in prosecution. The People's Court has passed judgment on 14 cases and 37 people, among whom six have been sentenced to death; eight have received suspended death sentences; seven have been sentenced to life imprisonment; and 16 have been sentenced to set terms of imprisonment. (Zhengzhou HENAN RIBAO in Chinese 3 Jan 94 p 1)

Hunan

On 24 December 1993, 14 prisoners convicted of murder were executed by Changsha City Intermediate People's Court. One of those convicted, Gao Xihua, was deputy general manager of the provincial securities company (a rank was equivalent to that of the deputy director of a provincial department). He murdered the son of his mistress, who he wanted to leave after nearly three years of living together, and was arrested while attempting suicide. Another of those convicted was Zhang Weiye (4545 4850 0308), a retired worker who had pretended to be suffering from mental illness after committing a murder. (Changsha HUNAN RIBAO in Chinese 25 Dec 93, p 1)

Liaoning

The LIAONING LEGAL NEWS (LIAONING FAZHI BAO) (date not given) has reported that 25 people have been executed in Shenyang since 1 January and 51 other persons have been sentenced for various crimes. The

paper said: "The sentences were intended to frighten delinquents, ensure public order and enable the public to enjoy the New Year holiday in complete tranquility." (Summary) (Hong Kong AFP in English 0518 GMT 10 Jan 94)

Shaanxi

Wang Kaiming, vice mayor of Xianyang City, Shaanxi Province, was arrested on 30 December 1993 for participating in and supporting the fraudulent practices of a sham foreign businessman. In 1991, Wang, then chairman of Xianyang City construction committee, signed an official contract—without formal approval from city government leaders—with a peasant from Shangnan County who pretended to be a Hong Kong businessman holding Singapore citizenship on founding a joint-venture leasing company. Wang later covered up the partner's fraudulent practices and helped him borrow 8.11 million yuan, of which he actually received 1.53 million and subsequently squandered. The anticorruption campaign discovered that Wang had demanded that the peasant pay bribes totaling 40,000 yuan. The investigation of the case is continuing. (Summary) (Xian Shaanxi People's Radio Network in Mandarin 0500 GMT 31 Dec 93)

Between 22 and 25 December 1993, public trials were held in several district and county people's courts in Xian. Following the trials, 32 criminals—primarily murderers, robbers, rapists, thieves, and criminals who had intentionally destroyed electric transformers—were executed. Among them were four peasants who had destroyed 49 electric transformers dedicated to industrial and agricultural use from October 1988 to January 1992, which caused direct economic losses of more than 370,000 yuan. (Summary) (Xian SHAANXI RIBAO in Chinese 3 Jan 94 p 1)

Sichuan

The EDUCATION JOURNAL (date not given) has reported that Shi Renfu, vice director of the Luzhou City enrollment office in Sichuan Province, has been sentenced to death for blackmailing students' parents. Shi extorted 410,000 yuan (\$47,000) in cash from parents trying to enroll their children in university. He also squeezed them for 330,000 yuan (\$38,000) in stocks and a similar amount of electrical goods between 1991 and 1993. (Summary) (Hong Kong AFP in English 1051 GMT 4 Jan 94)

The Sichuan Provincial Procuratorate filed 4,300 economic crime cases for investigation and prosecution in the January-November period last year. Serious cases accounted for 50 percent of all cases, and cases involving over 1 million yuan rose to 20—a 10-fold increase over last year. Su Yuxiang and Cheng Qiuju, respectively the manager and cashier of the Mianyang City Yonghung Property Development Company, received death sentences for embezzling 1.08 million yuan in public funds. During the same period, 583 party and government

officials were convicted of economic crimes, two of whom were department-level officials. Gao Wancheng, supervisor of the Hechuan City Government, and Liu Jiehui, head of the Hechuan City Financial Bureau, abused their power to loan 43 million yuan to a private company in return for a bribe of 600,000. The case is currently under investigation. (Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 0932 GMT 6 Jan 94)

Yunnan

The Yunnan public security organs recently cracked a major swindling case involving approximately 25 million yuan. The five criminals involved—Xiong Bin, Tian Wei, Xing Gang, Tao Jiangrui, and Tao Jiangmin—defrauded Kunming City's Yuxi Branch of the Bank of China of 25 million yuan using falsified receipts and credit cards. Except for Tian Wei, who is still at large with 580,000 yuan in cash, all the criminals involved in the case have been arrested and most of the stolen money has been recovered by the bank. (Summary) (Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 28 Dec 93)

New Chinese Dictionary To Be Published 'Soon'

OW0202103494 Beijing XINHUA in English 0741
GMT 2 Feb 94

[Text] Beijing, February 2 (XINHUA)—A new Chinese dictionary, "Lexicon of the Chinese Language" (Zhonghua Zi Hai), a full collection of word and phrases of the Chinese Han language, will soon be jointly published by the Zhonghua Book Company and the China Friendship Publishing Company.

The dictionary, one of the key projects for the eighth five-year-plan period (1991-1995) has taken more than 300 experts eight years to complete.

The dictionary is regarded as another monumental work in the studies of the Chinese language.

It contains 86,00 entries, double the number collected in the mammoth 17th century "Kangxi Dictionary" and 30,000 more than in the current most authoritative Chinese dictionary (Han Yu Da Zi Dian).

Science & Technology

Li Peng May Attend Nuclear Power Plant Opening

'Expected' to Attend

HK0202072294 Hong Kong WEN WEI PO in Chinese
2 Feb 94 p A2

[Report: "Li Peng Is Making an Inspection Tour in Guangdong, and Is Expected To Attend the Inauguration Ceremony of Daya Bay Nuclear Power Station Next Monday"]

[Text] According to informed sources, Chinese Premier Li Peng came to Guangdong last week and has been inspecting a number of cities in the past few days. He is expected to attend the inauguration ceremony of Guangdong's Daya Bay Nuclear Power Station, to be held in Shenzhen's Daya Bay on 7 February.

Sources disclosed that Premier Li Peng has inspected Guangzhou, Foshan, and Zhongshan so far. He went round the cities in the evening to admire the light decorations and find out about the market and the urban public's daily life as the Spring Festival approaches.

It is learned that Guangdong's Daya Bay Nuclear Power Station, which is about to go into operation, is up to now China's biggest Chinese-foreign joint-venture project, with a total investment of about \$4 billion. While Zhejiang's Qinshan Nuclear Power Station, completed in 1991, was China's first nuclear power generation base, the soon-to-be-completed Daya Bay Nuclear Power Station, with two 900,000-kwt pressurized-water reactor generating units, will bring China's nuclear power industry to a new height.

Sources pointed out: Premier Li Peng has devoted a great deal of energy to the construction of Daya Bay Nuclear Power Station. From the time when the site was being sought to this day when the plant is about to go into operation he has inspected the project a total of 10 times and gave clear guidelines for every stage of the construction process. He went on many observation trips to other countries and painstakingly worked out strategies for initiating the nuclear power industry in China. He clearly instructed: "Guangdong Nuclear Power Station should consistently implement the principle of safety first, quality first." The core project of Daya Bay Nuclear Power Station started on 7 August 1987, that is, over six years ago. Its annual electricity production will be about 10 billion kwt-hours, which means, when it is combined with the energy-conserving hydroelectric power plants in the province, a total annual energy output of 12.6 billion kwt-hours. This will greatly benefit the economy in Guangdong and Hong Kong.

To Cut Ribbon

HK0202072094 Hong Kong MING PAO in Chinese 2
Feb 94 p A10

[Report: "Li Peng Is To Cut the Ribbon at the Inauguration of Daya Bay Nuclear Power Station This Weekend"]

[Text] Chinese Premier Li Peng is arriving in Shenzhen this weekend to attend the ribbon-cutting ceremony of Guangdong's Daya Bay Nuclear Power Station. According to informed sources, this ceremony will be brief and short in accordance with the principle of "high standard, small scope" without giving it too much publicity.

Sources in Beijing said: His health permitting, Li Peng will definitely attend the inaugural ceremony of the Daya

Bay Nuclear Power Station. Many personalities from the French consortium will also attend the ceremony. Because the No. 1 unit of the power station has already gone into operation and generated over 700 million kwt-hours, this will be just a ceremony, so it will be as simple as possible.

The staff of Guangdong Provincial Nuclear Power Joint Venture Corporation have been stepping up preparations for the ceremony. They held a meeting yesterday to discuss arrangements for the procedure. One official said: The period from 4 to 6 February will be the busiest for receiving visitors from the State Council, the provincial authorities, the city authorities, and abroad. He said: If all goes well, Li Peng will definitely turn up. He said that Li Peng has always paid close attention to the construction of Daya Bay Nuclear Power Station and promised to visit it when it went into operation.

Sources said: After the No. 1 generating unit went into operation, the No. 2 unit is also entering the phase of trial generation in June this year.

It has been nearly 10 years since preparations for building Daya Bay Nuclear Power Station started. The total investment is \$4 billion, making it the biggest joint-venture project in China up to now. Guangdong Province and Hong Kong's China Light and Power Company co-invested in the project a total of \$400 million, in a three to one ratio. The two 900,000-kwt generating units are capable of generating more than 10 billion kwt-hours per year, of which 70 percent is to be sold to Hong Kong. When the debts are repaid in 15 years' time, the Chinese-Hong Kong partnership will continue for another five years.

Li Peng Calls For Accelerated Science, Technology

OW2901161394 Beijing XINHUA in English 1529 GMT 29 Jan 94

[Text] Beijing, January 29 (XINHUA)—Chinese Premier Li Peng urged today accelerated development of science and technology without neglecting deepening reform in this sector.

In a letter of congratulations on today's close of a successful working conference held here by the Chinese Academy of Sciences, Li Peng also made an early happy New Year call to all scientists and technicians throughout the country.

Li said in the letter that whether China could realize its socialist modernization depends largely on the development of science and technology.

He called on the vast number of scientists and technicians to boost the development of science and technology, based on the actual Chinese situation and in line with the tendency of the development of the world's

science and technology and to make greater contributions to the sustained, rapid and healthy development of the economy.

The five-day conference was held to outline the work of the Chinese Academy of Sciences in 1994. President Zhou Guangzhao of the Academy said at today's closing meeting that one of the major tasks of his Academy is to nurture qualified scientists and technicians.

He also proposed a long-term development strategy for the Academy.

At the conference participants exchanged experiences and analyzed the current new situation of reform in the sector of science and technology.

Researchers and departments who have scored outstanding achievements in the scientific field in 1993 were awarded prizes during the conference.

Li Ruihuan Addresses Gathering of Scientists

OW3101035994 Beijing XINHUA Domestic Service in Chinese 1145 GMT 19 Jan 94

[By reporter Sun Yong (1327 0516)]

[Text] Beijing, 19 Jan (XINHUA)—Some 400 scientists of all ages from the capital attended a tea party at the Chinese People's Political Consultative Conference [CPPCC] Auditorium today to ring out the old year and ring in the new.

Li Ruihuan, member of the CPC Central Committee Political Bureau Standing Committee and chairman of the CPPCC National Committee, spoke at the gathering. He said: Fundamental changes have taken place in China's intellectual and scientific and technological circles in comparison with more than a decade ago. These changes should be attributed to the leadership of Comrade Deng Xiaoping in guiding the party to correct the mistake of taking class struggle as the key link and in setting the guideline of making economic construction the center of the party's work, as well as to his important theses—"intellectuals are a part of the working class" and "science and technology constitute a primary productive force."

Li Ruihuan said: The current situation in China's intellectual and scientific and technological circles is generally good, though there are some problems. The solution to these problems lies in leaders' keen attention and the nation's economic capability, and requires a better understanding and earnest implementation of these two important theses of Comrade Deng Xiaoping in actual work. It is hoped that the relevant departments and scientific and technology circles will work in concert in studying ways to implement the thesis that "science and technology constitutes a primary productive force," drawing on successful foreign experiences and formulating policies for combining science and technology with the development of production and enabling them

to promote each other, thereby imbuing vigor and vitality into the undertaking of science and technology.

On behalf of the State Council, State Councillor Song Jian paid high tribute and extended warm regards to science and technology workers across the country. He said: The "Decision on Some Issues Concerning the Establishment of a Socialist Market Economic Structure," adopted by the Third Plenary Session of the 14th CPC Central Committee, has laid an important policy for deepening the reform of the science and technology management system. The implementation of the policy of "holding fast to one end and leaving the whole field open"—that is, while redoubling research efforts in basic science and for the development of new and high technology, it is necessary to give free rein to research, development, and business activities of organizations engaged in developing technology or providing scientific and technical services—and the establishment of a new science and technology management system will surely give a strong impetus to the strategy of "relying on science and technology in economic construction and gearing scientific and technology work to the needs of economic construction."

Song Jian continued: In the coming year, both central and local governments and enterprises should invest more in the development of science and technology. Party committees and governments at all levels and various sectors of the community should further improve the working and living conditions of scientists, show concern for the growth of young scientists, and train a contingent of academic and technology vanguards who will lead the country in the march toward the world's advanced science in the next century.

Zhu Guangya, chairman of the CPPCC Science and Technology Committee and chairman of the China Association for Science and Technology, reviewed the country's brilliant achievements in science and technology over the past year. He said the Science and Technology Committee and the Association for Science and Technology will continue to do everything possible to serve scientists and technology personnel affiliated with the association.

Wu Jieping, vice chairman of the National People's Congress Standing Committee, and scientists Ye Dalian, Bai Chunli, Feng Shunshan, Lai Luhua, and He Zuoxiu also spoke at the gathering. They made a number of suggestions for accelerating the development of science and technology and bringing into better play the scientists' role.

Comrades Lie Jieqiong, Ye Xuanping, Wu Xueqian, Hong Xuezhi, Hu Sheng, Qian Zhengying, and Sun Fuling were present at the gathering.

Reform of Science, Technology Structure Viewed
HK0202011994 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1401 GMT 25 Jan 94

[By staff reporter Wang Jiabin (3769 0163 2430): "Prospects for 1994—China To Carry Out Reform of Science and Technological Structure in a Comprehensive Way"]

[Text] Beijing, 25 Jan (ZHONGGUO XINWEN SHE)—The pace of China's reform of its science and technology structure was accelerated during the past year, and the work of establishing a new structure has already begun in a comprehensive way. A revitalized science and technological structure is gradually taking shape, which will benefit basic research and economic development.

In 1994, organizational reform in science and technology research institutions will be further carried out in depth, with structural readjustment and the flow of talent as the main tasks. Through readjustment, the contingent of science and technology workers, who are either engaged in basic scientific research, high-tech research, or tackling major science and technology problems and developing research projects for social benefits, will become more highly trained and the structure will become more reasonable. The internal structures of various science and technology research institutions will be further readjusted and new and more competitive management and operational systems will be adopted. The duplicated organizations will be merged and streamlined and the excess personnel will be allowed to flow and enter the market. Large numbers of technological development and technology service organizations will march toward the market at a faster pace. They will establish enterprises or be changed into science and technology enterprises or enterprise groups. At present, there are already dozens of high science and technology enterprises in China, which were established by science and technology research institutions. They receive an income of some ten million yuan or even a hundred million yuan a year.

The civilian-run science and technology enterprises will develop at a higher speed. China now has a total of 40,000 civilian-run science and technology enterprises, of which more than 10,000 were established last year. Henan, Shaanxi, and other provinces have made decisions on speeding up development of civilian-run enterprises in the name of the provincial party committee and government and have worked out some new measures. The number of newly established civilian-run enterprises will be much higher this year than last year.

Development of the technological market has entered a new historical stage. According to calculations, the turnover of technological transactions reached more than 18 billion yuan in 1993. The figure was just a little higher than 10 billion yuan the previous year. All kinds of technological transaction activities have been frequently and dynamically carried out in various localities and at various levels. Intermediary organizations, such as invisible assets assessment offices and science and technology agents' offices, have emerged everywhere in the country.

Experiments in selected areas on a permanent technological market have also been carried out smoothly. Barriers between the various regions and departments have been smashed and an open and unified nationwide technological market system has begun to take shape.

Legal construction for science and technology has been developing steadily. With the promulgation and implementation of the "Law on Science and Technology Progress," science and technology work has been brought onto a track of operating in accordance with the legal system. The task of working out and implementing relevant laws and regulations on protecting intellectual property rights will be continued this year. The establishment of special court of science and technology and court of intellectual rights in Beijing and other areas has provided an effective guarantee for fighting against the illegal practices of violating intellectual property rights and plagiarizing and forging achievements of science and technology research and for protecting the legitimate rights of science and technology institutions and personnel. The number of such courts can increase this year.

In 1994, the management method of science and technology management departments at all levels will be further improved and geared to the needs of the market.

The 21st century will be one of science and technology. The Chinese people are still faced with a grim reality. According to the latest statistics, China ranks 12th in the world in the number of science and technology treatises published, rising three places from last year, but it is 17th in the treatises on basic research, dropping two. The ultimate purposes of China's reform of the science and technology structure are: First, to combine science and technology with economic development more closely and second, to promote the development of science and technology, especially basic research. Whether China's reform of the science and technology structure is successful or not will chiefly be reflected by the achievements in these two fields.

RENMIN RIBAO Views Control of Satellite TV

*HK3101150394 Beijing RENMIN RIBAO: Chinese
16 Jan 94 p 3*

[By Kuang Tianpu (6782 3944 0944): "Abiding By Law To Manage Ground Equipment for Receiving Satellite Television Broadcasts"]

[Text] On 5 October 1993, the State Council promulgated the "Regulations on Managing Ground Equipment for Receiving Satellite Television Broadcasts" (the "Regulations"). This is an important law governing the management of satellite television broadcasts in our country and it has great significance to the healthy and orderly development of our country's satellite television broadcasts, to the protection of the Chinese nation's fine cultural traditions, to the promotion of socialist spiritual civilization, and to the maintenance of social stability.

I. Our Country's Satellite Television Broadcasts Develop Rapidly and Must Be Managed According to Law

Since August 1985, our country has been using satellite television broadcasting technology to transmit television programs and to expand the areas covered by television broadcasts. Before that, we mainly relied on building ground microwave transmission networks for transmitting television programs, to increase the coverage rate of the population receiving television. Our country is vast and has a varied topography, over 70 percent of the land is hilly and mountainous areas and microwave transmission technology is affected and hindered by terrain and landscape. For this reason, the coverage rate of the population receiving television did not increase rapidly. By 1985, after efforts for over 20 years, the coverage rate of the population receiving television had not reached 50 percent. After using satellites to transmit television programs, because it saves on investment, involves less transmission links, has a wide coverage area, and is free from the restrictions of terrain and landscape, it has developed very rapidly. By 1992, in just seven years, the coverage rate of the population receiving television in the whole country swiftly rose to 81.3 percent and satellite television broadcasting has already become an important means of solving the problem of television covering areas in our country.

At present, the Central Television Station transmits four television programs through satellites, whereas the five provincial television stations in Xinjiang, Tibet, Yunnan, Guizhou, and Sichuan also use satellites to transmit their programs; an educational television program is also transmitted through satellite. It is estimated that this year, some other provincial television stations will also use satellites to transmit their programs. We can say that satellite television broadcasting is now in the ascendancy in our country.

Along with the development of satellite television broadcasts in our country, the demand for group equipment for receiving satellite television has rapidly swelled. By the end of 1992, the country had 39,000 satellite television receivers and transmitters. At the same time, the satellite television programs which are transmitted from outside our borders but can be received inside the country have continuously increased, and there is an increasing number of people who have produced, sold, installed, and used ground equipment to receive television programs from outside our borders, thus, serious chaos has emerged. Various types of enterprises have opened factories and workshops without restrictions or planning and the equipment they produce varies in quality, whereas some sales units forget about obligations when lured by benefits and sell low-quality equipment, or smuggle in products to evade tariffs, causing serious harm to the interests of consumers and the country. This not only endangers the healthy development of our new industry producing equipment to receive satellite television but is also unfavorable to

socialist spiritual civilization construction. It was precisely under such conditions that the "Regulations" were formulated, promulgated, and implemented, to enable the healthy development of the satellite television undertaking to have legal protection.

II. Managing Reception of Satellite Television Broadcasts According to Law, Is an Important Means of Exercising and Safeguarding State Sovereignty

Since 15 November 1983 when the United States for the first time transmitted a direct-broadcast satellite television program, satellite television undertakings have sprung up like mushrooms in various parts of the world. In particular, since the 1990's, satellite television undertakings in various countries have entered a period of great development. Although the International Telecommunications Union has produced an agreement which says that the television programs of various countries should be directed to the areas of the countries concerned, for technical and political reasons, the "spill over" phenomenon whereby a country's satellite television intentionally surpasses national boundaries to cover other countries and areas has become more serious and the "electric wave battle" in the air has become more intensified. Many countries have expressed worries at the increasing number of trespassing television programs and a lot of these countries have restricted the reception of satellite television and carried out management according to their own national and public interests. For example, Malaysia views management of foreign satellite television as a political issue which has a bearing on national security, clearly stipulating that no individual or family should receive foreign satellite television. Japan's Electric Wave Law stipulates that the wireless and cable television stations in the country cannot relay television programs from outside the border; at the same time, Japanese law stipulates that residents can only receive the directly broadcast satellite television programs transmitted by NHK and Nippon Satellite Broadcasting Corporation. Britain's New Broadcasting Ordinance clearly stipulates that the Independent Commission for Television has the power to cancel any "unacceptable" foreign satellite television programs scheduled for the television channels under its jurisdiction.

In fact, managing satellite television broadcasts according to law is the undisputable authority of any sovereign country. The reason is simply that no sovereign country would allow other countries to establish television stations or other news agencies on its soil without any restrictions. Whereas satellite television programs trespass the borders and cover areas in other countries and would it not be equal to allowing other countries to establish television stations on the soil of a sovereign country if nothing is done to restrict them? At the same time, when a sovereign nation, proceeding from the need to safeguard and develop the nation's own cultural patterns, values, morals, and social stability,

carries out management of the trespassing satellite television according to the law of the country, it is completely a matter of sovereignty. As early as 1972, the 17th meeting of the UN Educational, Scientific and Cultural Organization stipulated that a country has absolute power to select and criticize the information (news) coming from any other channels.

What must be further pointed out is that, at present, our country is covered by about a dozen satellite television channels from outside our borders. According to an estimate, in the next 10 years, some 120 television broadcasting satellites will be launched by various countries and about half of these satellites will be in Asia, where most areas of our country will be able to receive programs. If we do not give management but let units and individuals receive those programs, then it is no different from establishing inside our country several dozen television stations which are run from outside the border. Setting aside what kind of subtle influence the values, morals, and cultural patterns publicized by these television programs will have on our country's audience, especially young people, speaking just in terms of safeguarding the country's sovereignty, it is absolutely necessary for us to manage according to law the reception of satellite television programs, especially the television programs beamed from outside our borders. This is also an important measure for exercising and safeguarding state sovereignty.

III. The Contents of the "Regulations" Accord With the Actual Situation of Development of Television Undertakings in Our Country and Is Identical to the Policy of Opening Up to the Outside World

Since the birth of television undertakings in our country some 30 years ago, we have been using the method of collectively relaying and transmitting television signals to households and individuals for them to watch. That is, television program signals are provided by the wireless television stations, television transmitting stations, and satellite ground stations set up by the broadcasting and television departments at various levels.

This method is very practical and is in accordance with our country's actual situation in terms of solving the problem of the rate of population covered by television in a developing country like us, with 1.2 billion people, a relatively low per capita income, and a comparatively backward economy. With this method, some 800 million people in the country have been able to watch television programs and in many places they can even watch several programs, while in the places with cable television, they can watch nearly 10 programs. As the problem of television coverage rate was being solved, television programs became increasingly abundant. In particular, since reform and opening up, our country's television departments have worked hard to improve the quality and increase the quantity of programs made by themselves and, at the same time, also established relations on exchanging and trading of programs with the television organizations in many countries and regions in the

world. They have imported a large quantity of television programs of various kinds that can be beamed outside our borders. In recent years, the Ministry of Radio, Film and Television has signed 52 agreements or memoranda of agreement on cooperation with 41 countries such as France, Britain, and Italy, as well as with two international organizations. The Central Television Station signed cooperation agreements on providing news to United Independent Television News Agency which is a U.S.-British joint venture, Columbia Broadcasting System (CBS), Cable News Network (CNN), Nippon Hoso Kyokai (NHK), East European Broadcasting Union, and Asia-Pacific Broadcasting Union.

Since realizing round-the-clock operations for broadcasting news 11 times every day last year, the Central Television Station has been able to immediately broadcast important international news. Apart from this, the television programs—including cultural, sports, scientific, technological, and cartoon programs—which are made outside our borders and acquired through trading, buying, or exchanging of copyright by various television stations, have been broadcast in large numbers. In particular, the international film festival which is organized in turn by Sichuan and Shanghai every year, provides a stable opportunity for exchanges of programs between our country's television circles and the television organizations in various countries in the world. Along with the deepening of the reform and opening up, our country's television undertaking will further develop and television programs will become richer to satisfy, as much as possible, the people's demands for obtaining important international and domestic news as well as meeting their cultural and recreational needs.

Carrying out the necessary restriction and management of reception of satellite television beamed from outside our borders does not contradict the open-door policy in our country. As we have mentioned before, our country's television circles have established many kinds of relations of exchanging television programs with many countries, to introduce to the people in the whole country the outstanding cultures from various places in the world through television. This is also to let the Chinese people know the world better and learn and borrow from the outstanding foreign cultures.

In order to satisfy the special needs of some units and venues when implementing the "Regulations," the relevant departments will, after examination and approval, allow financial, economic, and trade units, foreigner-admitting three-star hotels and the second-class hotels judged by state standards, and the offices and apartments used by foreigners and the people from Hong Kong, Macao, and Taiwan, to install equipment to directly receive the satellite television programs beamed from outside the border.

When we stress management according to law, our basic purpose is to enable satellite television to better serve

our country's economic construction, reform, and opening up, and to serve socialist spiritual civilization construction as well.

Lanzhou Heavy Ion Accelerator Yields New Success

OW3101223094 Beijing XINHUA Domestic Service in Chinese 0831 GMT 23 Jan 94

[By reporter Xi Yongnian (6741 3057 1628) and correspondent Song Wenjie (1345 2429 2638)]

[Text] Lanzhou, 23 Jan (XINHUA)—China has made another step forward in catching up with the advanced world level in nuclear physics studies. A medium-energy, heavy ion radioactive, singular nuclear secondary beam [zhong neng zhong li zi fang she xing qi yi he ci ji shu liu xian 0022 5174 6850 4418 1311 2397 1410 1840 1142 8381 2702 2945 4787 2631 3177 4848] was recently built in Lanzhou, and the device produced over 30 types of neutron-enriched [feng zhong zi 0023 0022 1311] radioactive singular nuclear beams.

The secondary beam was built at the Lanzhou State Laboratory of the Heavy Ion Accelerator. The 40 meter-long piece of equipment has more than 20 sets of magnetic lenses, four sets of beam probes, primary and secondary target chambers, and complex probing and identifying equipment. It has 40 expansion parameters [he tiao can shu 0668 6148 0639 2422]. Its main features are primarily those of crushing nuclei with medium-energy [zhong neng dan he sui lie 0022 5174 1734 2702 4295 5933] and transferring response [zhuan yi fan ying 6567 4448 0646 2019]. Scientists can use the Argon-40 beam, with energy of 25 megavolts from each nucleus, generated by the heavy ion accelerator to bombard an aluminum-27 nuclear target and produce more than 30 kinds of radioactive singular nuclear beams, including magnesium-30, carbon-15, and lithium-9. The energy generated by the secondary beams ranges from 15 to 20 megavolts per nucleus, and their atomic numbers are 2 to 14. Chinese scientists will use this secondary beam to study superheavy nuclei, the possibility of synthesizing nuclides, astrophysics, and application of nuclear technology.

Knowledge about nuclear physics used to be acquired primarily through the studies of stable nuclei. Since the 1980's, products created through reactions from primary targets have been reused as bullets, or "secondary beams." The use of secondary beams has diversified the combination of "bullets" and "targets," creating unprecedented opportunities for acquiring new knowledge about atom nuclei. Using radioactive, singular secondary beams to discover and identify new nuclides and study new decay modes and decay characters are new means of experimentation in the world, and China is currently the fifth country in the world possessing this advanced means of experimentation.

The Chinese Academy of Sciences [CAS] has listed the construction of this secondary beam, which is one of the

projects China has launched with the aim of catching up with the advanced world level, as a subsidiary project for the Eighth Five-Year Plan period. The construction has been successfully completed as result of the great support and assistance from the State Science and Technology Commission, the CAS, the State Natural Sciences Foundation, and the Lanzhou State Laboratory of Heavy Ion Accelerator.

Trade Corporation Plans To Import More Technology

OW0102110294 Beijing XINHUA in English
1031 GMT 1 Feb 94

[Text] Beijing, February 1 (XINHUA)—China is to import more technology and equipment this year, a Chinese business leader said here today.

The China National Technology Import and Export Corporation (CNTIC), the country's largest technology importer and exporter, plans to import four billion U.S. dollars' worth of technology and to export 350 million U.S. dollars' worth.

According to Tong Changyin, CNTIC's general manager, the corporation's volume of imports last year hit a record high of 3.94 billion U.S. dollars, while exports totalled 310 million U.S. dollars.

At the company's annual working meeting, Tong said that his company signed contracts for some national or local key projects in the past year, which ensured the smooth development of the company's business.

These projects included the Henan Yahekou power station, Shandong Zouxian power station, Zhejiang Tianhuangping pump storage power station, Liaoning Fushun steel plant and Dalian steel plant.

CNTIC also made progress in export of equipment, high technology and high-tech products, signing contracts with relevant companies of Kuwait and Pakistan.

On the company's plans for this year, Tong said that CNTIC will continue its focus on import of equipment for key national projects, development of equipment, high-tech products and exports of machinery and electronic products with high extra value.

The company will thus strengthen its cooperative relations with all departments of the State Council, foreign trade advisory companies, investment companies, Bank of Development and other relevant departments all over the country.

Tong said that CNTIC will also set up high-tech development companies to form a system of research, design, trial-production, manufacture, and domestic and foreign market expansion, and to use overseas funds to import foreign experience of management and advanced technical equipment.

Tong said that in 1994, CNTIC will establish new offices in the south Pacific Ocean region, Latin America, Africa and the Gulf region.

The setting-up of headquarters in Southeast Asia and the Gulf region will be finished by the end of the year, he said.

Tong also said that CNTIC will make efforts to practise a share-holding system and act as a business agency, and to start a corporation group by the end of the year.

Technology Market Experiences 'Record Turnover'

HK0202071394 Beijing CHINA DAILY in English
2 Feb 94 p 1

[By He Jun: "Technology Transfers Increase by Big Margin"]

[Text] China's fledgeling technology market reported a record turnover of almost \$2.4 billion last year, up nearly 40 percent on 1992. The figure covered technology transactions registered across the country. But does not include the Tibet region and Shenzhen Special Economic Zone.

The technology market was first introduced into China nine years ago.

And the paid transfer of science and technology has helped the country's development, according to Han Deqian, Vice-Minister of the State Science and Technology Commission (SSTC).

The government has helped the market by introducing competitive mechanisms and protecting intellectual property rights.

And the market boom indicated that China's technological market had "entered a new era," Han said.

The boom was spread right across the country last year with each of the 25 provinces, autonomous regions and cities dealing in at least \$11.5 of technology transfer contracts.

Xinjiang Uygur Autonomous Region, which saw a 105 per cent jump in its technology trade over the previous year, was singled out by Han. But Beijing stayed at the top of the table with a contract volume of over \$400 million. Of the 29 provinces, municipalities and autonomous regions in the survey, 28 witnessed expansion of their local technomarket.

And the average value of individual contracts rose by over 30 percent to \$9,700.

This indicated a remarkable improvement in the level and quality of the traded technologies, Han said.

China will focus on improving the management, legal, supervision and investment systems for the technological market.

And it will aim to establish a competitive and standardized technomarket, Han said.

Full support would be made available to train technologists and to develop the market's intermediary institutes. The technology market is an important part of China's market economy, he said.

And it was keeping pace with a country, which was taking off economically.

In the past years, the central and local governments have pushed Chinese scientists and technicians to devote themselves to the commercialization, industrialization and internationalization of technology.

Economic & Agricultural

Economic Officials Answer Questions on Reform

HK0102135294 Beijing GUANGMING RIBAO in Chinese 20 Jan 94 p 4

[Hong Hu, Liu Zhifeng, and Wang Shiyuan, vice ministers of the State Commission for Restructuring Economy, interviewed by GUANGMING RIBAO reporter Wu Yali (0702 7161 7787), and XINHUA, LIEN HO PAO of Taiwan, RENMIN RIBAO, and other Chinese and foreign reporters, in the State Council Information Office on 19 January 1994: "Officials of the State Commission for Restructuring Economy Answer Reporters' Questions on Hot topics of Economic Reform"—first paragraph is GUANGMING RIBAO introduction]

[Text] Beijing, 19 Jan (GUANGMING RIBAO)—At a press conference for Chinese and foreign reporters held in the State Council Information Office this morning, Hong Hu, Liu Zhifeng, and Wang Shiyuan, vice ministers of the State Commission for Restructuring Economy, answered questions on hot topics about which people are universally concerned at present.

[XINHUA] Many measures will be taken this year. What are the key ones?

[Hong Hu] There are two key points in reform this year. One is to deepen the reform of the enterprise structure and to carry out experiments on the establishment of a modern enterprise system. The other is to promote the reform of the macroregulation and macrocontrol structure and, at the same time, to carry out as a supplement the building of the market system with the essentials market as the dominant factor and to speed up the progress in the reforms of the social security and housing systems.

[Du Yali] In October 1993, GUANGMING RIBAO published a report which stated that losses of state assets were serious, totaling 100 million yuan a day. This attracted the attention of the readers. Please tell us whether or not the rate of such losses has been curbed. Is the situation improving?

[Hong] This issue has attracted great attention in the State Council and measures are being taken. In the course of carrying out modern enterprise system reform and of reorganizing property rights this year, how to avoid the loss of state assets is an issue especially worthy of our attention.

Hong Hu disclosed after analyzing several causes of the losses of state assets at present: The work of formulating the "Regulations on Supervision and Control Over State Assets" has been completed. At present, some technical problems are being handled and the regulations will soon be promulgated. The regulations explicitly state the responsibility of government investment organs in supervising and controlling state assets. The promulgation of the regulations will effectively curb the rate of losses of state assets.

[LIEN HO PAO] The reorganization of property rights will inevitably result in unemployment for some people. Is the living standards of these people secured?

[Hong] Both the reorganization of property rights and the readjustment of the enterprise organization structure involve the issue of arrangements for the placement of staff members and workers. The state has always attached great importance to this. In May last year, the State Council issued documents clearly stating the arrangements for staff members and workers of state enterprises who are awaiting jobs and departments concerned have, in accordance with the number of people and a certain percentage, established insurance funds for those awaiting jobs. According to relevant documents issued by the state, the living standards of the staff members and workers in bankrupt enterprises are secured.

Liu Zhifeng said, in reply to a question on housing reform raised by RENMIN RIBAO: On 31 December 1993, the State Council issued a circular on resolutely stopping sales of houses at low prices. Some people mistakenly thought that housing reform would stop. As a matter of fact, stopping the sales of houses at low prices is precisely to better promote housing reform. This is because the sales of houses at low prices will easily lead to unfair distribution once again, which is harmful to long-term housing reform. The State Council will soon promulgate a decision on speeding up the residential housing system reform in towns and cities. Selling houses will be the dominant factor and selling, renting, and building houses will be carried out at the same time. Various departments should energetically and safely promote the sales of houses strictly in accordance with the method for fixing prices stipulated by the State Council.

Article Views Pace of Economic Development

OW3101223394 Shanghai WEN HUI BAO in Chinese 22 Jan 94 p 7

[Editorial Report] Shanghai WEN HUI BAO in Chinese on 22 January carries a 4,000-character article by Lieutenant General Shi Zhiqing, political commissar of the

Air Force of the Nanjing Military Region, entitled: "Being Too Slow in Development Cannot Be Called Socialism" on page 7 of the paper's special column on seriously studying Volume 3 of the *Selected Works of Deng Xiaoping*.

The article cited Deng Xiaoping's remarks made in October 1987 saying "poorness is not socialism, and being too slow in development is also not socialism," Deng Xiaoping's talks during his southern inspection tour, and Deng Xiaoping's remarks saying "whether China can resist the pressure of hegemonism and power politics and firmly adhere to our socialist system, the key lies in whether we can gain a relatively fast speed in growth and realize our development strategy or not." The article cites rapid economic growth during period from 1984 to 1988, in which the average annual growth of industrial output was 21.7 percent. The article says the speed stressed by Deng Xiaoping is different from the speed stressed during the "Great Leap Forward" in 1958. It says Deng Xiaoping has drawn a bitter lesson from the "Great Leap Forward" and attached importance to quality and efficiency in seeking development speed. Deng Xiaoping has always linked accelerating development with deepening reform and further opening up and called for turning science and technology into productive forces. In conclusion, the article says such speed as advocated by Deng Xiaoping is a genuine and sustained speed which can promote China's economic development amid widespread recession in the world.

'Central Leader' Comments on Economic 'Soft Landing'

HK0102114594 Hong Kong TA KUNG PAO in Chinese
28 Jan 94 p 2

["Special dispatch": "Central Leader Urges People to Seize Opportunity to Carry Out Reform Well; Macroeconomic Regulation and Control Last Year Only Tackled the Symptoms But Not Root Cause, and 'Soft Landing' of Economy Is Still Needed This Year"]

[Text] Beijing, 27 Jan (TA KUNG PAO)—A central leader recently stressed in a speech that in 1994, China's economy still needs a "soft landing." He also stressed the need to seize the opportunity to carry out the reform well, and completely solve problems arising from development.

This central leader said that macroeconomic regulation and control in 1993 only tackled the symptoms but not the root cause. Some problems which have emerged in the forward progress since the rapid development in 1992, were not solved last year, and could not be solved last year; if efforts were made to solve them last year, it would mean a "hard landing," big fluctuations, and vibrations in the society. The method adopted during macroeconomic regulation and control in 1993, was to tackle the symptoms, so it could only achieve limited goals, such as checking the inflationary trend, the

growing trend of excessively large scales of capital construction, and the trend in which large amounts of money were being released by banks. The number of construction projects underway at this moment is three times that of 1991. We must continue the "soft landing" in 1994, and capital construction cannot rise rapidly. This central leader said that the duty of macroeconomic regulation and control has not yet been fulfilled, and it has not "landed" at this moment, therefore it must continue the "soft landing" this year. If it always "does not land," or even flies upward, a "hard landing" is needed when problems erupt, by then, the consequences are hard to predict, and changes in the society will be unimaginable.

This leader pointed out that the reform in 1994 indeed has to be put to a very important position. If the reform in 1994 cannot be carried out well, we will miss an historic opportunity, which will hardly come again in the future. If we can carry out the reform well, completely solve problems arising from it, and really embark upon the road of sustained, rapid, and healthy development, then, conditions will be good; we must cherish this good pattern, situation, and opportunity, really work solidly for eight or 10 years, then, China can really be counted as a strong nation in the world. Of course this is not judged in terms of per capita figure, but in terms of overall quantity, which will show a relatively strong national strength.

State Issues Circular on Taxation Law Management

OW3101223194 Beijing XINHUA Domestic Service
in Chinese 0828 GMT 25 Jan 94

[Text] Beijing, 25 Jan (XINHUA)—The State General Administration of Taxation today issued a circular stressing the need to strengthen the management of taxation laws and that compilations of taxation laws must not be published without permission.

The circular said: Recently, some publication units and individuals have published compilations of taxation laws and regulations in violation of the State Council's regulations on the publication of compilations of laws and regulations; or have published videotapes and books on taxation in the name of publicizing the new taxation law and with the purpose of seeking exorbitant profits; or even have held training classes on taxation issues using the name of the State General Administration of Taxation. These classes asked for a large fee and provided low-quality lectures, causing very bad influences.

In response to the aforementioned situations, the State General Administration of Taxation recently issued a circular stressing: The right to construe taxation laws belongs to the Finance Ministry, the State General Administration of Taxation, or other authorized departments. Without the permission of the State General Administration of Taxation or other authorized departments, no publication units are allowed to publish any compilations of taxation laws. The State General

Administration of Taxation will hand over cases of violation to a publication administration department or a industry and commerce administration department for legal action. Taxation organs and personnel are not allowed to take part in profit-seeking publication of any kind of videotape or book on taxation, or take part in any profit-seeking training activities concerning taxation law. If necessary, taxation organs and personnel may join concerned departments in banning such publication and training activities.

Finance Ministry Issues Short-Term Treasury Bonds

OW3101144594 Beijing XINHUA in English 1433 GMT 31 Jan 94

[Text] Beijing, January 31 (XINHUA)—The Ministry of Finance today made a public offering of 10 billion yuan in one-year state treasury bonds.

This is the second group of state bonds issued this year. The first issuance of five billion yuan in six-month bonds occurred a week ago, on January 23.

Both offerings are in the paperless form, that is, the purchase, trading or interest payment on the bonds will be done through computer networks of the Shanghai Stock Exchange.

The one-year bonds carry an interest rate of 11.98 percent while the rate on half-year bonds is 9.8 percent, one percentage point higher than the bank deposit rates for the corresponding periods.

The 15 billion yuan in bonds have all been sold to 35 primary dealers, namely banks and non-banking financial institutions, according to an official with the Ministry of Finance.

This year's issuance is two months earlier than usual, and the short-term bond is being tested for the first time in China.

The early issuance is mainly intended to lay the groundwork for the central bank's open market operation, which will formally begin in early March in Shanghai.

It will also help to cover the huge financial expenditure during the peak time of Spring Festival, which falls on February 10 this year, the financial official noted.

The bonds can be held by banks, enterprises and individuals. However, the Shanghai Stock Exchange can only open accounts for individuals who buy at least 10,000 yuan worth of bonds.

But the state will soon set up a treasury bond fund for the convenience of small investors, he said.

He said the total amount of this year's state bonds will be discussed and approved by the National People's Congress in March.

Nonetheless, more than 70 percent of this year's total issuance will be conducted in paperless bonds.

The state will still issue some amount of paper-note bonds, mostly in three-year and five-year terms to sell in small cities and towns which cannot be covered by the computer networks in the Shanghai Stock Exchange, as well as in rural areas.

XINHUA Views Limited Stock, Liability Companies

OW0102110494 Beijing XINHUA Domestic Service in Chinese 2130 GMT 24 Jan 94

[XINHUA Mailbox: "What are Joint Stock Limited Companies and Limited Liability Companies?"]

[Text] Beijing, 25 Jan (XINHUA)—A joint stock limited company is a business corporation whose registered capital comprises shares of equal value. The company raises capital through the issuance of shares (or stock certificates). Stockholders assume limited liability for the company in proportion to their share subscriptions, and the company pledges all its assets in assuming responsibility for its debt.

A joint stock limited company's basic traits follow: Its total capital is divided into shares of equal value, with the stockholders assuming limited liability for the company in proportion to their share subscriptions. The company may issue shares to the public, and the shares can be traded or transferred. Although the number of stockholders may not fall short of the specified number, there is no upper limit. Stockholders enjoy the company's rights and assume obligations by virtue of their stock holdings. The company must release its accounting statements, reviewed and verified by a certified public accountant, on schedule.

A joint stock limited company is the typical form of a joint stock company. Its first advantage is that it is conducive to attracting capital. It may issue shares to raise capital, and its shares are negotiable. Specifically, it may issue various types of shares to lure investors, as well as shares of small face values to attract some idle, small-sum capital from society. This will expand the sources of capital for the joint stock limited company, which can quickly raise a huge sum of capital for use in large-scale operations. Second, when the company goes into bankruptcy, the stockholders will not be encumbered beyond the scope of their share subscriptions. This is because the company implements a limited liability system. This helps protect stockholders' interests. Third, a joint stock limited company is the typical capital partnership, whose ownership and management are separated. It can be managed by specifically trained and experienced professionals. This helps improve managerial level and efficiency. Moreover, a joint stock limited company's large numbers of shares and stockholders make it easy to control small amounts of capital with large amounts of capital. Nevertheless, a joint stock limited company also has its own shortcomings. First, a

joint stock limited company must go through an elaborate process of incorporation. It can ill afford to maintain its confidentiality because it must release information on its financial status on a regular basis. Second, stockholders are highly mobile, and the company can hardly control them. In buying shares, stockholders largely do so for their dividends and lack a sense of responsibility to the company.

A joint stock limited company should be incorporated according to the "Company Law."

A limited liability company is a business corporation jointly funded by two or more stockholders. Each stockholder assumes limited liability for the company in proportion to his or her capital contributions, whereas the company pledges all its assets in assuming responsibility for its debt.

A limited liability company's basic traits follow: The company's assets are composed of several portions but are not divided into shares of equal value. The company issues capital contribution certificates, instead of shares, to stockholders. Stockholders' capital contributions can be transferred, but any transfer must be effected according to specific rules. The number of stockholders may not surpass a certain level. Stockholders enjoy various rights and undertake various obligations by virtue of their capital contributions.

Limited liability companies came into existence relatively late. It was only until the mid-19th century that one such company came into being in Britain, in the form of a "private company," and this was approximately 250 years after the world's first joint stock limited company—the British East India Company—was established in 1600. Because of its traits as both a capital partnership or a partnership between individuals, a limited liability company is a very suitable form for incorporating small and medium enterprises. A limited liability company cannot issue its shares to the public, and it is known as a "private company" in Britain and a "closed company" in the United States.

Authorities Seek To Prevent Market 'Crisis'

HK3101145794 Hong Kong WEN WEI PO in Chinese
27 Jan 94 p A3

["Dispatch" by staff reporter Chen Chien-ping (7115 1696 1627): "As Problems on Mainland Market Gradually Become Conspicuous, Central Authorities Adopt Measures to Prevent Crisis"]

[Text] Beijing, 26 Jan (WEN WEI PO)—According to an authoritative source here, the central leadership maintained: Since July last year, thanks to the adoption of stringent measures to energetically rectify the financial order, the problem of funds has been gradually alleviated. However, the problem of market has begun to raise its head remarkably. It is expected that for a period of time to come, the problem of market will become more conspicuous than that of funds. The central authorities

will make plans to solve the problem to avoid a market crisis which may possibly occur.

The authoritative source said: As the central authorities saw it, the robustness of the domestic market in the previous period of time was largely a result of man-made price hikes. For example, the robustness in the car market was such a case. On the one hand, vehicles were purchased with public money, and on the other hand, foreign-invested enterprises upgraded their vehicles once after another by making use of preferential policies. Hence, there was a service-life cycle of 5 to 10 years. Moreover, the mainland pursues a control policy over car purchases and as a result, car prices have stood at a high level, thus landing China's car industry in a predicament. Again, take the consumption market for example. From 1992 to 1993, there was extreme unfairness in distribution on the mainland. Consequently, commodity demand was generated by upstarts, and the entire society's expenses characterized by high wages and bonuses driven by such demand were not sustainable. Moreover, domestically there was also unfairness in distribution between different trades, enterprises, departments, and even wage earners. A considerable number of poor counties in our country are unable to pay out wages. The price scissors of agricultural and sideline products are widening. Therefore, the robust consumption market will surely cool off.

Based on an analysis of the market prospects, the central leadership suggested:

1. It is necessary from now on to closely watch and study the market problem and adopt prompt measures to solve it. The injection of funds must be made after taking on board changes in the market. Otherwise, if we still increase input when the market has already gone down, it will end up in stockpiling of products and it will difficult to avoid sharp fluctuations in the economy.

2. Enterprises must make great efforts to improve themselves, change the way they operate, raise product quality, increase product varieties, and pay close attention to scientific and technological development and technological transformation. Construction banks and industrial and commercial banks must ensure enterprise technological funds.

3. Great stress should be placed on readjusting the price policy and developing markets. Prices of domestic products such as television sets, washing machines, and refrigerators can be cut a little to achieve larger sales at a smaller profit. Taxes on some products can be reduced. The price problem should be resolved in accordance with the laws governing the market rather than by rushing headlong into mass action.

4. Examination and approval procedures for controls over the purchase of domestic limousines should be scrapped. We must consider cutting the selling prices of domestic vehicles.

5. Enterprise should make vigorous efforts to export more goods and develop both domestic and international markets. To promote export, apart from prohibiting enterprises to engage in real estate and stock trading at a profit, we must ensure the need of funds for the Bank of China to purchase foreign exchange.

6. The growth rates of township and town enterprises should be scaled down. Now township and town enterprises are keeping too many products in stock. We should no longer support them in turning out unsalable products blindly. Township and town enterprises must pay attention to industrial structural readjustments and product variety and quality. When it has surpluses in procurement funds, an agricultural bank must support township and town enterprises in carrying out technological transformation and scientific and technological development to readjust the industrial structure.

7. Labor prices call for attention. To make labor more appealing to foreign investors, it is necessary to bring the strong point of domestic labor being relatively cheap into play. Now a relatively too rapid labor wage increase has become a trend in some coastal regions. Too high wages will hamper our competitiveness in developing an export-oriented economy.

Leading Trader Comments on Futures Market

OW0102094694 Beijing XINHUA in English 0925
GMT 1 Feb 94

[By Li Zhurun and Ni Siyi]

[Text] Beijing, February 1 (XINHUA)—China will take at least five years or longer to open its futures market to the outside world, a leading Chinese futures trader said today.

"Only after the legal framework for the futures market is in shape, financial reforms are carried out and China's economic strength substantially enhanced, will the country be ready to open up its futures market," said Lu Jian, president of the China International Futures Co. Ltd (CIFCO).

He explained that futures trading involves high risks and high profits, which require solid economic and legal foundations.

The country's current policy to bar overseas traders from entry into the country's futures market is not intended to close it, but to prepare for its opening up at the earliest possible date, Lu said.

According to CIFCO estimates, China's futures trade reached 1.3 to 1.5 million deals last year, compared with 200,000 deals in 1992.

However, the number is only tiny when compared with developed countries, Lu Jian said, noting that nearly 400 million futures deals were made in the United States last year.

He compared China's futures industry to a "sampan", and the industry in developed countries to a "gigantic ship."

"How can the gigantic ship be allowed to sail in China when the country has yet to dig the channel?" he said.

China now stresses "an active but safe approach" in developing its futures market.

A government regulation for the country's futures operation is expected to be issued before April this year, and Lu said that "to his knowledge" the futures law is in the making.

He said a nationwide futures craze emerged last year when too many trading companies and commodity centers were set up. Some profiteering merchants from outside the Chinese mainland took advantage of the confusion to drain off Chinese revenue.

This led to massive waste and several unusual financial frauds in the country, Lu Jian said.

Disorder in the country's futures market obstructs entry of trading companies or clients with high credibility, Lu said.

As a pilot futures company, CIFCO is the only Chinese company to have bought broker's seats in the three largest commodity exchange centers in the U.S. and also in the world: The Chicago Board of Trade, the Commodity Exchange Inc of New York and the Chicago Mercantile Exchange.

It is also one of the 160 futures trading companies qualified in the country's just finished reshuffle of futures trading companies and exchange centers.

The CIFCO president said he is optimistic about the development of China's futures market, since its functions to find prices and avoid risks will be of importance for China's market economy.

"It will also help to link China's economy with that of the world," he said.

Lu said the volume of China's futures trading will continue to rise, in line with the healthy development of China's economy.

State-imposed prices are being cancelled as part of China's market-oriented economic reform, prompting enterprises to safeguard the value of products by engaging in futures trading, Lu said.

The better equipped futures organizations and well trained personnel will also stimulate the rise in trading volume, he said.

Dr. Lu Jian, 39, an Oxford educated economist, is a renowned management expert in the futures trade in China. He conducted intensive and extensive investigation and research work on major futures organizations in the U.S., the U.K. and Hong Kong.

Spending 'Rising' With Fears of Inflation

HK3101052594 Hong Kong SOUTH CHINA
MORNING POST in English 31 Jan 94 p 7

[By Zhang Yuan]

[Text] The market in consumer goods has been fluctuating since November, with the prices of some commodities rising drastically. Some consumers have not fully understood the implementation of tax reforms, and fear the new tax system will further add to inflation.

Sales in major shopping malls in Beijing and Wuhan have been rising with consumers' favourite commodities including grain, oil, electric appliances and gold. Sales of television sets, video cassette recorders, refrigerators and washing machines went up by 100 to 200 percent.

However, the demand for less than nine percent of the commodities outstripped supply, and it is not difficult to stabilise the market. Consumers also only look for a small range of commodities and the impact of price fluctuations on the market has not proved particularly serious.

But market fluctuations show that consumers are still expecting inflation will continue in the near future. They want to buy goods because they believe that devaluation of money is faster than that of commodities. They fear the introduction of tax reforms and further liberalisation of price controls this year will lead to a surge in prices.

Although consumers are flocking to stores, they are not buying whatever commodities can be found on the market. They are proving to be selective, and only want to buy goods with brand names and of good quality. This might put additional pressure on inflation as demand for imported products will go up.

XINHUA Report Discusses Civil Liabilities

OW3101044494 Beijing XINHUA Domestic Service in
Chinese 2137 GMT 19 Jan 94

[Text] Beijing, 20 Jan (XINHUA)—Civil liabilities are a kind of legal responsibility, as well as the legal consequences, of violating civil statutes. Therefore, they possess traits of both legal responsibilities and their own.

Civil liabilities possess the following legal traits: 1) Civil liabilities are enforced by state compulsory measures. Compulsory enforcement by the state is an important feature of legal responsibilities, as well as civil liabilities. This is a major difference between civil liabilities and moral obligations. 2) Civil liabilities are legal responsibilities arising from failure to perform civil obligations in violation of the demands of the Civil Law. Civil liabilities differ from civil obligations; civil liabilities are not civil obligations but the legal consequences of not performing such obligations. In other words, civil liabilities are predicated on civil obligations. 3) Civil liabilities are mainly responsibilities regarding property. It is the common task for laws governing various activities, as

well as a task for the Civil Law, to protect socialist public property and the legitimate rights and interests of citizens and legal entities. Nevertheless, protection measures under the Civil Law possess traits different from those of laws governing other activities. This fact determines the Civil Law's scope and principles. 4) Citizens and legal entities are encouraged to conscientiously perform their civil obligations and fight against law-breaking acts.

Civil liabilities can be divided into two major categories: contractual and tortious liabilities. Contractual liabilities, also called liabilities arising from contractual violations, mean civil liabilities that should be undertaken by the parties who violate contracts. Tortious liabilities, also called liabilities arising from causing people harm, mean civil liabilities that should be undertaken by the parties who infringe on state and collectively owned property, as well as the property and persons of other people.

There are four general principles governing civil liabilities: 1) The principle of protecting the legitimate civil rights and interests of civil rights principals. This principle calls for holding any unit or individual civilly liable for infringing on other people's civil rights and legitimate rights and interests. 2) The principle of fixing responsibility for errors. This is the principle of assigning civil liabilities, which holds the performer of an act civilly liable for his or her erroneous act. 3) The principle of fairness in assigning responsibility. It urges people's courts to seek truth from facts, show fairness and reasonableness, and abide by the law in handling civil cases. Courts should uphold the principle of fixing responsibility for errors without unduly focusing on the errors. They should consider the interests of both parties and correctly handle civil disputes so as to enhance harmony and unity between the parties and benefit their production and lives. 4) The principle of exoneration as a consequence of force majeure. Except otherwise provided for by law, the parties concerned are absolved from responsibility for not honoring contracts or causing other people harm as a consequence of force majeure.

Customs Director Urges Crackdown on Smuggling

HK0102132094 Beijing ZHONGGUO XINWEN SHE
in Chinese 0955 GMT 30 Jan 94

[By reporter Jia Quanxin (6328 0356 2946)]

[Text] Beijing, 30 Jan (ZHONGGUO XINWEN SHE)—Qian Guanlin, director of the Chinese Customs Administration, said here today that Chinese Customs will continue to earnestly perform its anti-smuggling functions and continue to sternly crack down on smuggling.

Over the past year, Chinese Customs has sternly attacked smuggling activities, recovering over 2.346 billion yuan of smuggled goods and turning over 1.777 billion yuan of penalties and confiscated money, an increase of 78 percent and 83 percent, respectively over the previous year.

In view of the characteristics of smuggling activities under the conditions of reform, opening up, and a socialist market economy this year, Qian Guanlin said, the investigation bureau of the Customs Administration will directly organize and take part in the investigation and handling of complicated major cases, which involve a huge value and which transcend regions.

To adopt forceful measures against the illegal activities of smuggling, Qian said, we should gradually set up a highly centralized sea-land-air national headquarters against smuggling and establish a national customs information system within Customs, which is connected with law enforcement organs and information departments. We should strengthen the antismuggling functions of Customs, closely follow marine and border smuggling activities, and resolutely crack down on smuggling.

On the supervision over import and export commodities restricted by the state, Qian Guanlin said, dutiable commodities without license should be returned or confiscated according to law or sold at current prices strictly in light of regulations. It is necessary to strengthen supervision over the rare species and controlled commodities, punish the illegal transfer of textiles, strictly enforce regulations, and safeguard the state's interests.

Hong Kong Daily Views Counterfeit Goods Situation

HK0202070594 Hong Kong EASTERN EXPRESS in English 2 Feb 94 p 28

[By Paul Mooney]

[Text] Ever since China's patriarch, Deng Xiaoping, kicked off his economic reform campaign two years ago, foreign companies have been pouring into the country hoping to tap its billion-plus consumer market. Hard on their heels, however, is a fast-growing army of counterfeiters who are pulling in hundreds of millions of dollars while local officials look the other way.

Take the case of Microsoft. In October 1991, the US software manufacturer was shocked to discover counterfeit copies of its hologram appearing up and down the American West Coast. Company officials had thought the hologram—a sophisticated reflective sticker used to authenticate products—was almost impossible to duplicate.

After months of detective work, the fakes were traced to an unexpected source: the Shenzhen Reflective Materials Institute at Shenzhen University in southern China. The institute was raided the following March by the Shenzhen Administration of Industry and Commerce (AIC), which found contracts and materials that suggested the institute had received an order for 3 million holograms. Almost two years later, many questions remain. "The AIC did a very good raid, it was excellent," Alix Parlour, corporate attorney for Microsoft, said. "But it's been downhill since then."

Despite numerous meetings with the Shenzhen branch of the AIC, she said, the Chinese had failed to provide Microsoft with information they have about a Taiwanese company involved in the case. Microsoft still has no idea where the moulds used to make the holograms are, or, more importantly, if they are still in use.

Company officials are not sure why the Chinese are dragging their feet, but Parlour offered the following speculation. "There's always the dismal prospect that someone at the university is well-connected and can protect the institute," she said. Many counterfeiters are state enterprises, collectives, or village or township enterprises. "Officials say, 'Hey, these are my factories, I'm not going to put these guys out of business'," a Hong Kong-based trade official said.

One leading provincial official in the south of China told a US trade official that he would only intervene on behalf of foreign manufacturers producing in his province. Experts agree that the State Administration for Industry and Commerce—which deals with trademark infringements—is serious about cracking down on pirates.

Unfortunately, the state organisation's local branches, understaffed and lacking resources and political clout, often prove unable or unwilling to take action. Local AIC branches are particularly careful when dealing with big counterfeiters with powerful connections. "Sometimes the AIC will carry out a raid right away," Joseph Simone, a lawyer with Johnson Stokes and Master who advises on intellectual property law, said. "But often they will first do a political background check to see who the counterfeiter is. Some people have gone to jail for going after the wrong factory."

In some cases, money can move the AIC to action. Foreign companies report being asked to "contribute" funds to set up special teams to raid infringers. The head of one industry association said his organisation was asked for US\$250,000 (about HK\$1.95m).

Patrick Wong, executive secretary of the Hong Kong office of the International Federation of the Phonographic Industry, said that while China had the capacity to turn out 62 million compact discs a year, its actual consumption was 2-3 million. The rest, says the former Hong Kong policeman, ended up in Hong Kong, Taiwan, Southeast Asia, Canada and the US.

Although the organisation, which represents recording artists around the world, provided Chinese officials with the names and locations of about a dozen factories that were illegally reproducing CDs and handed over funds for a task force, when the AIC finally carried out raids it was against shops in Shenzhen and not the well connected factories manufacturing tens of millions of CDs.

And getting the AIC to carry out a raid does not necessarily end a company's problems. Although foreign companies are generally permitted to send a representative along on raids, not all AICs allow this. When the

AIC raided three companies pirating Walt Disney products in Guangdong province last year, the American company was not allowed to participate in the raid, raising doubts about what was actually seized and what has happened to the factories. "We'll only believe it when we can go on a raid and see (the offender) shut down and say 'ouch'," John Feenie, executive vice-president Asia Pacific for Walt Disney, said.

Some foreigners also suspect that AIC officials tip off violators before a raid can be organized. To prevent this, Steven McVeigh, Hong Kong manager for Pinkerton Consulting and Investigations Services, said the company sometimes stationed employees outside factories even before it approached the AIC.

Simone estimates that some big companies should budget as much as US\$500,000 to cover the cost of private investigators, lawyers and in-house staff. But, he added, few companies were earning enough in China to justify such an expense. And even when a company succeeds in uncovering an infringer, justice is not always done.

Criminal punishments are rarely handed down and only in trademark cases. It is difficult to get compensation and fines are too low to be a deterrent. In the case of Microsoft, it took the AIC two years to fine the offender and the fine was HK\$2,000.

Some frustrated companies have abandoned the legal road for more direct methods. This often results in what Simone described as "an unhealthy reliance" on establishing guanxi, or connections. One foreign law firm that has handled intellectual-property cases through its offices in China has retired Chinese judges on its staff.

State Institutes Procedures on Administering Import Quotas

OW2901020594 Beijing XINHUA Domestic Service in Chinese 0659 GMT 18 Jan 94

[Text] Beijing, 18 Jan (XINHUA)—Interim Procedures on the Administration of Import Quotas for General Commodities (approved by the State Council on 22 December 1993 and promulgated by the State Planning Commission and the Ministry of Foreign Trade and Economic Cooperation on 29 December 1993)

Article 1 These procedures are formulated to promote the development of our country's economy and foreign trade, to meet the need of establishing a socialist market economic structure, and to further reform and improve the import management system.

Article 2 According to the state industrial policy and plans for the development of various trades, the state will enforce the quota system in line with international customs for certain commodities imported to meet domestic needs and to adjust market supply; but the import of those commodities in excess quantity may seriously obstruct the development of related industries

in our country, which may directly influence the adjustment of import and production structures, and which may endanger the state's foreign exchange stabilization.

Article 3 The general commodities mentioned in these procedures are all commodities which need to be controlled by import quotas with the exception of mechanical-electrical products.

Article 4 The State Planning Commission will be in charge of macrocontrol and coordination of import quotas for general commodities according to the national economic development plan and the state industrial policy. The State Planning Commission may forward opinions in coordination with other concerned departments on adjustment of categories of general commodities to be controlled by import quotas and the change will be announced and implemented after State Council approval.

Article 5 The total annual import quota for a general commodity will be suggested by the State Planning Commission in coordination with concerned departments according to the state's foreign exchange situation, the need for industrial and agricultural production at home, market demand, and the need for state security and environmental protection. After State Council approval, the total amount will be included in the annual national economic and social development plan. The State Planning Commission will allocate the amount to various units according to the actual economic development situation and production and construction needs in various localities and departments.

Article 6 Under State Planning Commission guidance, various provinces, autonomous regions, municipalities and cities with independent economic decision-making authority, and administrative organizations designated by concerned departments of the State Council ("regional and departmental organizations for the administration of import quotas for general commodities" will be used in following articles for short) will be in charge of the management and coordination of import quotas for general commodities in their respective localities and departments, will make a consolidated study on the need for import quotas for general commodities in their respective localities and departments, and will submit a balanced report to the State Planning Commission. Within the amount of quota allocated by the State Planning Commission, they will examine the applications for import quotas from various enterprises under the jurisdiction of those localities and departments.

Article 7 Enterprises which need import quotas of general commodities (productive and other enterprises which have been approved by the state for registration with industrial and commercial departments and have legal person status) should make applications to regional and departmental organizations for the administration of import quotas for general commodities.

Article 8 When applying for an import quota for general commodities, an enterprise shall report to the relevant

department for the administration of import quotas for general commodities relevant data such as the use of the quota, payment ability, and actual quota fulfillment in the previous year.

Article 9 Upon receiving an application from an enterprise, a department administering import quotas for general commodities shall, in line with the number of quotas issued by the State Planning Commission, examine and verify the enterprise's use of an import quota and its import payment ability, and issue a certificate of import quota to the enterprise in accordance with its actual production and operational ability and by referring to the amount of quota issued to it the previous year. In case an import quota is not to be issued, the organ for administering import quotas for general commodities of a region or a department shall, within 20 days, notify the enterprise applying for an import quota.

Article 10 Effective seals used on certificates of import quotas for general commodities shall be the "special seals for import quotas for general commodities" issued by the State Planning Commission.

Article 11 After receiving an import quota certificate from a quota administrative organ, authorized import enterprises may operate independently; those not authorized to engage in importing may conduct their dealings with foreign countries by entrusting authorized foreign trade enterprises. On the basis of import quota certificates, enterprises shall apply for an import permit with the Ministry of Foreign Trade and Economic Cooperation [MOFTEC] or its designated permit-issuing organs. Customs shall conduct its inspections on the basis of import permits.

Article 12 General commodities imported for processing and re-exporting enterprises and transshipment enterprises shall be subject to quota control; customs shall supervise the importation of these commodities in accordance with relevant provisions.

Article 13 General commodities which are imported by foreign investment enterprises as their investment but which are subject to quota control shall be handled in accordance with existing state investment laws and regulations. General commodities which are imported for the manufacture of products to be marketed domestically but which are subject to quota control shall be included in the national plan for the total amount of commodities to be subject to import quota control and administered by the MOFTEC according to existing state laws and regulations.

Article 14. For general commodities which are to be imported as gifts but which are subject to import quota control, their import formalities shall be handled in accordance with relevant state provisions, in accordance with the subordinate relationship of the receiving units, and on the basis of these procedures, following approval by a competent department.

Article 15 For general commodities which are to be imported with loans from foreign governments or international monetary organizations but which are subject to import quota control, their import formalities shall be handled in accordance with the subordinate relationship of the project contracting units and on the basis of these procedures.

Article 16 Should any of the following situations occur, importing units shall be regarded as violating these procedures: 1) signing contracts with foreign firms for the delivery of goods without applying for an import quota certificate in accordance with these procedures; 2) arbitrarily altering or forging import quota certificates; 3) arbitrarily transferring or selling import quota certificates for profit; or 4) violating the "Interim PRC Regulations Governing the Permit System for Imported Goods."

Article 17 Violators of these procedures shall be handled by customs in accordance with the "PRC Customs Law" and the "PRC Rules for the Implementation of the Customs Law Concerning Administrative Punishment." If the circumstances are particularly serious, violators of the law shall be made accountable for their criminal responsibility according to the law.

Article 18 Import administrative personnel who have neglected their duty, practiced favoritism or fraud, or abused their power shall, depending on the seriousness of their offense, be meted out administrative punishment by supervisory departments, and shall be made accountable for their criminal responsibility if they have violated the law.

Article 19 The State Planning Commission shall be responsible for interpreting these procedures and for organizing their implementation.

Article 20 The provisions of these procedures shall apply if past relevant provisions are in conflict with their provisions. These procedures shall go into effect on 1 January 1994.

Official Urges Formation of Information Market *OW0102130894 Beijing XINHUA in English 1256* *GMT 1 Feb 94*

[Text] Shenyang, February 1 (XINHUA)—A nationwide information network has taken shape in China, according to a senior official at a recent symposium.

Wu Jiawei, deputy director of the State Information Center, said that China should seize the chance to develop the information market during the current reform drive.

Now a vast number of institutions offer information services. At the least, there are 12,000 professionals in the state-run economic information system, which has branched into the country's 30 provinces, metropolises and autonomous regions.

Statistics show that Shanghai, China's largest industrial city, boasts over 5,000 information organs, six-fold the number for 1991. Information departments have been set up in almost all industries.

Moreover, information exchanges have increased. For example, trading volume reached 24.51 million yuan at an information meeting in northeast China's Heilongjiang Province last year.

An expert from the Shanghai Academy of Social Sciences said that China's reform drive has resulted in a soaring demand for information, which is considered key for companies to outpace their rivals.

The information institutions also have to improve themselves to survive in tough competition.

Many of them have provided specialized information, with some becoming authoritative consultants in certain industries.

Meanwhile, more advanced equipment has quickened information delivery.

With the development of the economic information market, legislation has topped the agenda in the field, with a set of national regulations in the making.

North China's Hebei Province was the first in the country to formulate and enforce a set of regulations on the economic information market last December.

Wu said there is still much room for improvement, as most information currently offered is regional and far from comprehensive.

Economists Call For Auctioning State Enterprises
OW3101083994 Tokyo KYODO in English 0713 GMT 31 Jan 94

[Text] Beijing, Jan. 31 KYODO—Economic experts are calling on the government to hold a fire sale of all or part of the nearly two-thirds of state-run enterprises which are burdening the national economy with losses, state press reported Monday [31 January].

"In 1988 the amount of enterprises losing money was about 10 percent. Now with the new system of accounting, more than two-thirds of the enterprises have both clear and hidden losses," the CHINA BUSINESS TIMES reported.

"The state economy while taking up 70 percent of current loans and more than 70 percent of fixed asset investments only account for 20 to 30 percent of the country's gross production value and make up only 42 percent of the national economy," the report said.

"The reform of state-run enterprises is a main battle front in this year's comprehensive reform program which will aim at attacking issues dealing with property rights," delegates were reported as saying at a Shenzhen meeting.

The meeting was being held to commemorate paramount leader Deng Xiaoping's famous "southern tour" in 1992, which spurred China's economy to 13 percent growth rates over the last two years.

Yang Qi of the Research Committee under the State Commission for the Restructuring of the Economy, called on every level of government to quickly auction off small state-run enterprises or implement shareholding or public ownership reforms, the report said.

Yang also called on medium-sized state-run enterprises to quickly change into a system of mixed ownership, by attracting diverse funds through all channels, while some medium and large enterprises must become standard corporations, it said.

Wang Jue of the Central Party School said state-run enterprises in urban areas must change into a mixed ownership system and principal property rights should be diversified.

Chinese leaders have called 1994 an important year in reforming the centrally planned economy.

The reform of state-run enterprises, which could mean taking away cradle-to-grave benefits and laying off parts of a huge work force, seems to be an almost impossible task.

'Poorly Managed' State-Owned Firms To Be Sold
HK3101152294 Hong Kong WEN WEI PO in Chinese 28 Jan 94 p A3

["Special Dispatch" by special correspondent Liu Chun (0491 5028): "China Encourages Chinese and Foreign Businessmen To Purchase Poorly Managed State-Owned Enterprises"]

[Text] Shanghai 27 Jan (WEN WEI PO)—To resolve the problem of numerous large and medium-sized state-owned enterprises on the verge of bankruptcy, the state has already considered adopting a preferential policy to encourage foreign or Chinese businessmen to purchase them, or be equity participants in state-owned enterprises; the key would be transferring part of the property rights of some poorly managed state-owned enterprises to overseas financial groups to realize management by a holding company with foreign investment; in addition, a "state-owned enterprise reinvigorating fund" would be set up to support those enterprises with outstanding accomplishments to purchase bankrupt enterprises, a State Economic and Trade Commission official disclosed to reporters not long ago.

According to this official, property rights of state-owned enterprises being transferred to overseas financial groups must first go through strict examination; the liabilities of the former state-owned enterprise would be taken up by the enterprise that becomes a joint-venture. On this

point, the state was planning to adopt a series of preferential policies including preferential treatment in the charge for transfer of land use right.

The sources of the "state-owned enterprises reinvigorating fund" would be mainly the original bank subsidy loans, proceedings from disposal of property, and international aid; this fund would be used in purchases between enterprises from now on.

Besides this, the state would establish and promote a "bankruptcy warning system," which would be used to standardize a bank mortgage insurance system; it was stipulated that from now on administrative organizations were not allowed to be guarantors of enterprise loans, and the guarantee between enterprises must be based on the principle of voluntariness, joint products, and multiple association in responsibility; this system should stipulate a certain index for the liability rate of an enterprise for it to go bankrupt.

This State Economic and Trade Commission official disclosed that the state was considering revising the "Law on Bankruptcy" and formulating a series of new decrees that comply with the modern enterprise system.

Patent Court System Planned for Major Cities *HK3101071294 Beijing CHINA DAILY in English* 31 Jan 94 p 2

[By Wang Yong: "Patent Courts To Guard Rights"]

[Text] A patent court system is planned for major cities to protect domestic and foreign intellectual property rights.

The move follows what officials call "a positive participation of China in the world scene" in copyrighting and patenting product and technological innovations.

One patent court was established in Haikou, Hainan Province last week.

"We'll suggest local governments open such courts at a proper time," said Foreign Trade Minister Wu Yi.

She said China was better than the world average in protecting intellectual property rights, although improvement is needed.

"China is so large a country. We'll kick off nationwide education campaigns to promote public awareness," she said.

And patent courts will be an integral part of the campaigns.

"If violations are evident, both Chinese and foreigners can appeal to such courts," Wu added.

She urged countries like the United States to better understand China's situation, calling it unwise for the US to pressure China on its patent reforms.

"The United States doesn't understand what is happening with China," she said in response to a question on possible straining of Sino-US relations over the intellectual property rights issue.

China and the US reached a Memorandum of Understanding (MOU) on January 16, 1992 on the protection of intellectual property rights.

"China has honoured the MOU since then, a fact even recognized by the US," Wu said.

She also pointed to a series of new laws on trademarks, patents and copyrights.

According to a Xinhua report, China's trademark law conforms to the Paris Convention for the Protection of Industrial Property, of which China is the 95th member.

The report said since signing the Madrid Agreement for the International Registration of Trademarks, about 10,000 foreign trademarks have been protected in China.

Moreover, China has signed the Berne Convention for the Protection of Literary and Artistic Works, and the Universal Copyright Convention.

In another development, Wu reaffirmed that Sino-British trade could hardly escape damage from "an uncooperative and unfriendly Britain."

But she noted the trade increases between the nations last year, which leaped 86 percent to around \$3.6 billion.

Sino-Russian trade also experienced a boom last year to \$7.7 billion, up 31 percent over 1992.

Broken down, China's imports from Russia went up 41.4 percent to \$4.99 billion, while its exports grew 15 percent to \$2.69 billion.

Vice Foreign Trade Minister Shi Guangsheng said the two neighbours have vast potential for trade development.

There were 27,000 Chinese working in Russia's projects last year, with more than 2,000 Chinese enterprises set up there with \$82 million in investment.

Construction Minister Reviews Achievements *OW3101135994 Beijing XINHUA Domestic Service in Chinese 1105 GMT 20 Jan 94*

[By reporter Cong Yaping (0654 0068 1627)]

[Text] Beijing, 20 Jan (XINHUA)—The just-concluded 1993 saw progress in the construction sector, including engineering, urban and rural construction, building, real estate, and urban public utilities.

Addressing the national construction work meeting today, Construction Minister Hou Jie summarized achievements in nationwide construction undertakings last year:

—Engineering construction achieved notable results with building industry steadily developing. A host of key projects, including Shanghai's Yangpu Bridge, Guangdong's Dayawan Nuclear Power Station, second-phase Dalian-Qinhuangdao electric railway project, and Jinan-Qindao Expressway, have successively completed and commenced operations. The introduction of an engineering construction supervision system has brought high speed, quality, and efficiency.

—Adaption to the new situation has brought new progress in urban planning. To meet demands of a new reform situation and the establishment of a socialist market economic system, various localities embarked on revising the overall urban planning last year by speeding up formulation of detailed rules designed to better control and guide development of new zones, reconstruction of old areas, and construction of various development sites in urban areas. The revised overall urban planning for both Beijing and Changsha have been approved by the State Council, while initial examinations of that of Nanjing, Xian, Hangzhou, and Shenyang have completed. The formulation of transcentury overall urban planning has begun.

—New successes secured in urban construction included an additional water supply capacity of 6 million tons per day, gas supply capacity of 1.6 million cubic meters, waste water treatment capacity of 800,000 tons, and completed highways totaling 30 million square meters. Urban public transportation, particularly car-renting, has been developing rapidly. The construction of overpasses one over the other has become the feature of urban communications.

—Another new record was set in urban and rural housing construction last year with the completion of more than 900,000 square meters throughout the country. The special housing policy adopted by the Construction Ministry designed to solve housing problems has not only relieved housing shortage and replaced dilapidated houses, but also has boosted nationwide housing construction.

—The construction of villages and towns has entered a new phase. The development of rural economy and the relatively concentrated development of village and town enterprises have accelerated the development pace of small towns, which in turn have brought overall development to adjacent small villages.

Hou Jie pointed out: While witnessing the strong development in construction undertakings, we should also pay attention to the solution of contradictions and problems. The ongoing large-scale construction has brought new challenges to urban planning and management, with certain localities placing preference of construction over urban planning. In particular, certain localities, being too eager to attract foreign funds for quick success and instant benefit, have blindly leased out lands without planning and incurred losses. For problems like serious

fund shortage for both urban and rural construction, poor infrastructure, work quality, and frequent accidents, their solution needs unremitting efforts.

Customs Publishes Machinery, Electronic Export Figures

OW3101092394 Beijing XINHUA in English 0849
GMT 31 Jan 94

[Text] Beijing, January 31 (XINHUA)—China's export of machinery and electronics last year hit a record high, with the total volume reaching 22.71 billion U.S. dollars, according to the latest statistics from the Customs Department.

The figure represents a 16.1 percent rise over the previous year and accounts for 24.7 percent of China's total exports. The growth rate is the lowest in the past few years.

Last year, exports of instruments for machinery and electronic products took up a large part. Exports of machinery and electronics by foreign-funded enterprises continued to grow at a high speed.

Exports of machinery and electronics which had been processed in China last year also increased much more than the general growth rate.

The United States, the European Community, Hong Kong and Japan are the major markets for machinery and electronics, covering 73 percent of the total such exports.

Such exports to Singapore, Pakistan, Taiwan, the Republic of Korea and Latin America last year also increased by a large margin.

South China's Guangdong Province was the largest exporter in this regard last year, and its export volume hit 13.63 billion U.S. dollars, an increase of 18.7 percent over the previous year and accounting for 60 percent of China's total export of machinery and electronics last year.

'Economists' Approve Free Port Scheme for Qingdao

OW0102023094 Beijing XINHUA in English 0118
GMT 1 Feb 94

[Text] Qingdao, February 1 (XINHUA)—Economists have shown great interest in and approval for an initial scheme to construct a free port at Qingdao, a port city in east China's Shandong Province.

After inspecting Qingdao's harbor, technology development zone and bonded zone, economists agreed that the time was ripe for the construction of a free port in the city.

According to the initial scheme drafted by the local government, three steps will be taken, including improvement of the existing harbor-front in the coming

decade, improvement of facilities in the technology development zone and bonded zone at the beginning of the next century and final establishment of a multi-functional free port by the year 2020.

Qingdao city is among the country's earliest to have been opened up to foreign investors and also one of the five largest port cities of China.

It is always in the forefront of the reform and opening-up of Shandong, a coastal province where the estuary of the Yellow River is located.

A switch to a free port will bring Qingdao port into full play and best exploit its geographic, historic and economic advantages in trade with neighboring Japan and the Republic of Korea, Germany as well as Taiwan.

Enormous economic profits and political benefits are expected to inland provinces along the Yellow River from the completion of the project.

It will also play a positive role in helping China to attain an active position in trade and economic cooperation in Northeast Asia, even in the whole Asia-Pacific region.

The scheme aims to further enlarge the opening-up of the Yellow River valley to match that of Zhujiang River valley in south China led by special economic zones such as Shenzhen, and the Chang Jiang river valley led by Pudong area in Shanghai, thus readjusting reform patterns of the country and promoting its all-around opening-up.

Major Gains Seen in Shipbuilding Industry

HK3101093694 Beijing RENMIN RIBAO in Chinese
25 Jan 94 p 1

["Review and Prospects" Column by staff reporter Liu Guilian (0491 2710 5571): "China's Shipbuilding Industry Heads for the World"]

[Text] When the first 100,000 metric ton steamship "Yaojin" built by China (China only built the hull) was launched in 1958, this paper described it as opening a new chapter of China's shipbuilding industry's history. When the first 100,000 metric ton oceangoing freighter "Dongfeng" designed and built by China was checked and accepted by the government in 1968, this paper said China has put an end to the historical period in which China had to buy ships from abroad because of its inability to building big ships. A few days ago, Wang Rongsheng, president of the China State Shipbuilding Corporation, told this reporter that China has become a big shipbuilding country with its shipbuilding tonnage being among the highest in the world and its orders received ranking third.

The fact that China grew from a country that could only build small ships and had to buy ships from foreign countries to a country that can build big ships and exports a large number of ships reflects that China's shipbuilding industry has upgraded its products,

improved product quality, and adapted itself to the change in external and internal markets.

Before 1965, China's shipbuilding industry's total shipbuilding capacity [zao chuan neng li 6644 5307 5174 0500] measured 300,000 metric tons and its annual output [nian chan liang 1628 3934 6852] was 80,000 metric tons. And the 80,000 metric tons was the total tonnage of 517 [figures as published] ships so the tonnage of ships was very low. Before reform and the open policy were introduced, China had a long way to go to match advanced countries in shipbuilding technology because it basically built ships behind closed doors though it could build 100,000 metric ton ships.

As China carried out reform and opening to the outside world, its shipbuilding industry introduced advanced technologies and equipment from abroad, and after mastering the technology introduced, greatly improved their designing ability, shipbuilding skills, and capability to manufacture the main engine [zhu ji 0031 2623] for ships, thus lifting China's shipbuilding industry to a new stage. In 1992, the China State Shipbuilding Corporation's output stood at 1,100,000 metric tons, hitting a record high. The output increased to 1,300,000 metric tons in 1993, up 20 percent. In this period, China built a number of large and new types of ships using high technologies including container ships, big refrigerated ships, automobile transport ships, and liquid petroleum gas transport ships [shi you ye hua qi chuan 4258 3111 3210 0553 3086 5307]. These ships have reached advanced world level and have been put up for sale in the international market in turn.

Currently, of the over 70 types of ships exported by China, two thirds were designed in China and some types have found a ready market abroad. For instance, the 70,000 metric ton bulk cargo ship built by the Jiangnan Shipyard, and the 98,000 metric ton petroleum products cargo ship [cheng pin you lun 2052 0756 3111 6544] built by the Dalian Shipyard are reputed as "Jiangnan model" and "Dalian model" respectively by international shipping circles. These two types of ships have been sold in the international market in batch quantities. China's ship-designing technology has also began to enter the international market. China-made main engines for oceangoing ships have been exported to Germany, Italy, the United States, and Japan.

China's shipbuilding industry vows to rank itself among advanced shipbuilding countries in the world by the end of this century. To achieve this, it is necessary to make enterprise reform a success in the "eighth five-year plan" to lay a sound foundation, to improve ship-designing expertise comprehensively, to better coordinate operations of relevant sectors, and to improve management to enable the shipbuilding industry to make new progress.

Article Urges Increasing Peasant Incomes

HK3101143194 Beijing RENMIN RIBAO in Chinese
24 Jan 94 p 2

[By Chen Junsheng (7115 0193 3932): "Rural Work Should Revolve Around Increasing Peasants' Income"]

[Text] The central part of current agricultural, rural, and peasants' work is to increase peasant incomes.

Why should increasing peasant incomes take center stage? One, with adequate food and clothing, income becomes the peasants' greatest concern. They will abandon their farmland if over time farming proves unprofitable. Two, increasing the effective supply of agricultural products, including growth in total volume, structural optimization, and quality improvement, is necessarily related to peasant incomes. Peasants now have a clear idea of how much they can earn or lose from what they grow and breed. Increases in output without corresponding increases in income would do nothing to stabilize agriculture. Three, agricultural development in the past often ignored peasant market roles. One of the important reasons why we have had weak market demand is the failure to widen rural markets. The demand of some 200-million strong city population cannot possibly absorb the rapid growth of the entire national economy. To enliven rural markets, it is necessary to increase peasant incomes over the years. Four, by the end of this century, people throughout the whole country, above all peasants, should be enjoying relatively well-off living standards.

Comrade Xiaoping repeatedly stressed: "The whole political situation will be unstable if rural areas are unstable. Our country cannot be said to have eradicated poverty if it still exists in rural areas." Therefore, increasing peasant incomes is not an isolated problem, but a strategic problem concerning the prosperity and development of the entire national economy.

To increase peasant incomes more quickly, it is necessary to take the entire political situation into account, conscientiously implement the spirit of the Third Plenary Session of the 14th CPC Central Committee and the Central Rural Work Conference, and pursue the following tasks properly:

Increase Inputs Into Rural Areas

Since the founding of the country, industrial development has mainly been based on a capital base built up by agriculture but conditions have changed. This strategy of industrial development based on agricultural accumulation must change. Adjustment should also be made in infrastructure investment, budgetary financial capital, and credit capital mix.

Leading comrades from the central committee and State Council have stressed repeatedly that the urgent needs posed by agricultural development must be met, even if it means postponing a few industrial projects. Increasing input is meant to correct the state of affairs wherein

agriculture is getting far too small a proportion of input for the development of the entire national economy. One, increases in credit; two, an increase in investment in infrastructure projects; and three, increases in financial inputs. These are key conditions for maintaining agriculture as the foundation of the economy.

Actively Adjust Agricultural Production and Product Mix

The crux of the problem for agricultural development is that it is next to impossible to reverse the trends of diminishing farmland and increasing populations and market demand. With these two nonreversals, to increase peasant incomes it is necessary to rationalize the use of available resources and continuously adjust the agricultural structure.

One underlying principle for adjustments in agricultural production and product mix is that they must be pursued while total grain output is steadily rising. Last year, the State Council announced the "Outline on China's Agricultural Development in the 1990's" and the "Outline on Reforms and Development of Food Mix in China in the 1990's," which are documents providing guidance for adjustments in agricultural production and product mix and developing high-yield, good-quality, high-efficiency agriculture. The central rural work conference convened earlier decided to pursue vigorously a number of models of high-yield, good-quality, high-efficiency agricultural zones. The State Planning Commission and agricultural and forestry departments have provided specific details for implementation. The adoption of these measures is aimed at speeding up adjustment in agricultural production and product mix. There must be efforts to invigorate agriculture with science and education, fully exploit modern science and technology, extend and apply the existing agricultural technologies with a view to turning them into productive forces. Grain and cotton breeds must be renewed and their strains and quality upgraded to increase returns. We must also vigorously develop the processing, transportation, and sales of agricultural products to coordinate development in the primary, secondary, and tertiary industries in rural areas to achieve added value for agricultural products and increase peasant incomes.

Enlivening the Circulation of Agricultural Products and Rural Markets

1. Bring production and markets together by means of information and contracts. Prices for most of the agricultural products have been deregulated, except for a few such as cotton and cocoons. The main problem now is that production by scattered peasant households is out of touch with market demand. Many peasants do not know what is going on in the market and cannot adjust to market demand, not knowing what to produce, what will sell, and what can fetch good prices. Therefore, it is extremely necessary to provide information for peasants, strengthen the effort to build an agricultural product supply and demand information network, predict and

issue bulletins on the supply and demand, and provide updated information for peasants in production and operations.

2. Actively guide and organize peasants to enter markets and build a bridge between production and demand so that the two can meet. Recently, the operating modes, such as trade-industrial-agricultural integration, production-processing-sale strings, firms-led peasant households, and various special associations, are all better organizational forms in which to guide peasants toward markets. We must actively support these forms. We must break through the restrictions of the ownership system and administrative regions, orient toward domestic and international market, guide the agricultural, industrial, commercial, trading, and technological sectors together to form a risk- and benefit-sharing common body through socialized services and channeling of interests.

3. Form an agricultural product market system and build a normal operating order. To foster and promote a market system, the state has deregulated most of the prices and operations of agricultural products, and pursued the policy of allowing markets to decide prices for agricultural products and different modes of operation. However, some localities have erected regional and customs barriers, preventing the circulation of commodities and the formation of a great national market and hindering production development. A market is a system. We must create a primary-product market for producers and a retail market in sales regions. Most importantly, we must establish various wholesaling markets. Under unified planning, we can establish an agricultural product market system centering on wholesale markets linking up the producers and sellers of key agricultural products, such as grains and cotton, through wholesaling markets and establish legally safeguarded economic relations.

Continued Efforts To Underwrite the Healthy Development of Township and Town Enterprises

The main objective for developing township and town enterprises is to put the development of township and town enterprises on the track of technological progress and upgrade the quality of labor force. Blind launching of projects and competing for rates should be avoided. There must be vigorous efforts to promote and technologically transform and adjust the product mix and pursue strict scientific management to raise economic efficiency.

The eastern region must orient toward efficiency and exporting and adjust the product mix to make improvements in standards, quality, scale, and efficiency. The central and western regions must increase the pace of development, organize the implementation of the "east-west cooperation and development project," and promote mutual supplementation of comparative advantages and mutual development. The development of

small industrial zones will trigger the that of small towns and promote the development of tertiary industry in rural areas.

Gradually Transfer Rural Surplus Labor

One of the causes of slow peasant income growth is the absence of full employment. At present, there is a 170 million surplus rural labor force, representing one of the more outstanding rural problems. Practical situations suggest that it is possible to transfer part of this surplus rural labor force to industry and other nonagricultural sectors. From 1985 to 1988, the country transferred on average about 10 million people each year and 11 million by 1992.

In recent years, peasant incomes derived from labor services have become an important source of income. In 1985, the per capita labor service income was 27 yuan, rising to 82 yuan in 1992, 10.5 percent of the year's per capita pure income for peasants. Localities cite many successes in this regard. Leaders from Lin County, Henan Province, led, in an organized manner, peasants as early as the 1980's to work in construction industry outside the province. Riding on the name of Henan being the home for traditional fine handicraft workers, this 130,000-strong construction labor force travelled through Taihang all over the country to earn income for themselves and create wealth for the country. They returned with much information and introduced talents and technology, which promoted the healthy development of township and town enterprises in the whole county. Last year, per capita pure income in the whole county was 792 yuan and is expected to reach some 900. The combined economic strength of the county rose from 44th to 14th in the province's county-level ranking. Experience from localities show that transferring rural surplus labor force must proceed in various ways: One, vigorously develop township and town enterprises. Plans are in place to transfer another 50 million by the end of this century, though this figure can be exceeded considerably. Two, develop and fully exploit agricultural resources, extend the space of development for agriculture and create jobs from it. Three, on the basis of policy coordination, actively create conditions to get farm hands to work in townships and towns. Four, develop in a planned manner small towns, and vigorously develop secondary and tertiary industries to channel rural surplus labor force toward nonagricultural sectors.

Continue To Pursue the Task of Reducing Peasant Burdens

Reducing peasant burdens is a policy-directed measure for maintaining peasants' production motivation. Since last year, governments and departments concerned at all levels have conscientiously carried out various policies on reducing peasant burdens and done much painstaking work. They have effectively curbed arbitrary apportioning, levying, and financing and reduced much of peasants' unreasonable burdens. Peasants called the burden reduction policy one of the Communist Party's

big services for the people. But down on the field, factors that may potentially increase the burdens for peasants remain. Some departments are thinking of restoring some financing and levy charges for some public charities. This is understandable. For a department, the problem is not big. But when all departments are asking money from peasants for different projects, peasants will have a hard time. They can hardly bear all these burdens with their low income.

We should all think with the overall situation in mind and continue to adopt effective measures to reduce peasants' burdens.

Pursue Well the Support-the-Poor Scheme

At present, there are more than 80 million people across the country for whom having enough to eat and to cloth themselves is still a problem. Without this problem for this part of the population, it is hard to achieve the relatively well-off living standards for the whole country. To solve the problem of getting enough to eat and keep warm for this 80 million, the State Council has decided to formulate and implement a "eight seven plan to take on the hardest parts of the support-the-poor scheme." Under the plan, from this year up to the end of this century, the problem of having enough to eat and keep warm for this number of people will be basically solved in seven years' time; and, further, they will have eradicated poverty on their way to prosperity. The next step consists of the formulation and implementation of the "eight seven plan to take on the hardest parts of the support-the-poor scheme." One, a serious summing up of the work and study to put forward new methods and measures for the support-the-poor scheme under the new situation. Two, perfect various policies and measures

and increase input into the scheme. The central authorities are continuing with the program of getting the aided areas to repay relief with grains and low-to middle-standard industrial products. The additional parts of such a program concentrate on transport and communications in poor regions to ensure that there are roads to ensure improvements in necessary production and living conditions. Three, management of funds and materials for the support-the-poor scheme must be relatively centralized to be allocated rationally on a regional mix basis, with a view to gradually spending more in the poorest areas in the central and western regions.

Correction to Item on Leaders on Foreign Trade OW0202043994

The following correction pertains to the item headlined "Leaders on Foreign Trade Reform," published in the Economic & Agricultural section of the 1 February China DAILY REPORT, pages 34-35:

Page 35, first column, last paragraph, first sentence make read: ...potential for development. However, it is hard to say that the uncooperative attitude adopted by the British Government regarding the Hong Kong issue will not affect bilateral economic and trade relations. [DAN SHI YING GUO ZHENG FU ZAI XIANG GANG WEN TI SHANG CAI QU DI BU HE ZUO TAI DU HEN NAN SHUO BU HUI YING XIANG DAO ZHONG YING ZHI JIAN DI JING MAO GUAN XI 0141 2508 5391 0948 2398 1650 0961 7449 3263 0795 7344 0006 6846 0648 4104 0008 0678 0155 1966 1653 1771 7181 6141 0008 2585 1758 0742 0451 0022 5391 0037 7035 4104 4842 6319 7070 4762] This is what....(rewording; supplying vernacular and STC's)

East Region

Fujian's Agriculture Attracts Overseas Investors

OW2801122294 Beijing XINHUA in English 1124
GMT 28 Jan 94

[Text] Fuzhou, January 28 (XINHUA)—The rich resources of agriculture in the area of Fuzhou city, capital of east China's Fujian Province, has attracted more and more overseas investors.

Last year Fuzhou city approved more than 450 overseas-funded agricultural projects with a total investment of 1.27 billion U.S. dollars. The direct overseas funds which went into the projects amounted to about 1 billion U.S. dollars.

The overseas-funded agricultural projects involve cultivation of flowers, breeding of domestic fowls, processing of forest products and ocean-going fishing.

In the suburbs of Fuzhou city, the Agricultural Scientific Development Park, first of its kind in Fujian Province, absorbed about 150 million U.S. dollars within a year.

In the past two years, Fuzhou municipal government has organized agricultural experts and technicians to survey the projects in the areas of Fuzhou and it is planning to cooperate with overseas counterparts on more than 600 projects.

There are now more than 800 overseas businessmen who are engaged in comprehensive agricultural development projects.

Jiangsu Adopts Procedures on Land Use

OW2601061094 Nanjing XINHUA RIBAO in Chinese
8 Jan 94 p 5

[Unattributed report: "Jiangsu Provincial Procedures on the Control of Land Use by Foreign-Invested Enterprises (adopted by the 24th Session of the Standing Committee of the Sixth Jiangsu Provincial People's Congress on 21 February 1987 and amended by the Fifth Session of the Standing Committee of the Eighth Jiangsu Provincial People's Congress on 29 December 1993 on the Basis of its 'Decision on Amending the Jiangsu Provincial Procedures on the Control of Land Use by Foreign-Invested Enterprises'")]

[Text] Article 1. These procedures are formulated on the basis of relevant laws and regulations of the state to strengthen control over Sino-foreign joint ventures, enterprises under cooperative management by China and foreign countries, and foreign-funded enterprises (hereinafter called foreign-invested enterprises for short) and to facilitate the establishment of enterprises by foreign businessmen in Jiangsu Province.

Article 2. All foreign-invested enterprises that use land (including dry land, beach, sand, and waters) inside the territory of Jiangsu Province must abide by these procedures.

Article 3. The planning departments of the people's government at and above county level at the sites where foreign-invested enterprises choose a piece of land shall work together with the relevant land control departments to decide on the location and area of the land to be used by foreign-invested enterprises according to the overall land use plan, the urban plan, and the village and town construction plan.

Foreign-invested enterprises must submit documents on approved construction projects and certificates attesting to their corporate status to the land control department of the people's government at and above county level where they have selected a piece of land (hereinafter called the land control department for short) to apply for use of the land. Once their applications are approved, they may acquire land-use rights by signing a contract and obtaining a certificate for land use.

The land-use rights acquired by foreign-invested enterprises in accordance with the law are protected by the laws of the state.

Article 4. A system of compensated use is implemented for state-owned land used by foreign-invested enterprises. Foreign-invested enterprises acquire land-use rights through the state-prescribed methods of selling land-use rights or collecting land-use fees.

Article 5. Those foreign-invested enterprises that invest in commercial, banking, tourism, service, and marketable housing projects, must acquire land-use rights through the state-prescribed method of selling land-use rights.

Those foreign-invested enterprises that invest in industrial, agricultural, energy, communications, infrastructure, and other public utilities projects may also acquire land-use rights through the collection of land-use fees.

Land-use rights acquired by sale may be transferred, leased, mortgaged, or used for other economic activities. The transfer, lease, and mortgage of land-use rights not acquired by sale are prohibited. If foreign-invested enterprises do need to transfer, lease, or mortgage land-use rights, they must obtain approval from the land control department, sign a sale contract on land-use rights in accordance with relevant regulations, and pay a fee for the sale of land-use rights.

The rights for the use of the land owned by collectives may be transferred in accordance with the law.

Article 6. Chinese enterprises which acquire land-use rights through administrative allotment are encouraged to set up joint ventures with foreign investors and use state-owned land-use rights as equity. The land, once an estimate has been made of its value, may be converted into government shares, and part of the capital stock

may be returned to the original land users. According to regulations, industrial, agricultural, energy, transportation, infrastructure, and other public facilities set up with foreign investors may pay fees for use of the land.

Article 7. When a foreign investor shares capital with a township (town), a village, or a unit to set up a joint venture and collectively-owned land has to be used, the township (town) or the village where the joint venture is to be located shall apply for land use and complete the application formalities according to regulations and use its land-use rights as a condition for the partnership. The township (town), the village, or the unit shall recover the land-use rights once the period of cooperation expires.

When a foreign-funded enterprise has to use a piece of collectively-owned land, it shall purchase or lease the right to use the land according to state regulations.

Article 8. After the foreign investor has acquired the right to use a piece of land, it shall use it in due course of time. If, after one year, it has failed to use the land according to the contract, it shall submit a report to the land control department to explain the reason. If has failed to use the land according to contract after two years, the land control department has the right to revoke the land use certificate, and recover the land-use rights. There shall be no refund of expenses that have been paid.

Article 9. After a foreign-funded enterprise has acquired the right to use a piece of land, it shall protect the water, mineral, and other land resources of the land from being polluted or ravaged. If it wants to use these resources, it may not do so until it has submitted separate requests, according to relevant state laws, and approval has been granted. Historical relics both on and under the ground belong to the PRC state, and if any of are discovered they shall be properly protected and promptly reported to the local authorities in charge for handling.

Article 10. When a foreign-funded enterprise has to change the use of a piece of land, it shall submit a request to the planning department of the local county or higher people's government. Once the request has been approved, it shall go through the formalities to change the use of the land at the land control department. The fee for leasing the land-use rights shall be readjusted, or the land-use fee will be reassessed.

Article 11. The time limit for a foreign-invested enterprise to use a piece of land shall not exceed the time limit prescribed in the land-use contract. When the land-use period expires, the land control department shall recall the land-use rights. If the enterprise wants to extend the land-use period, it shall submit a request for the extension three months before the expiration date and go through the extension formalities once the request has been examined and approved.

Article 12. Except in cases for which the state has prescribed separately, foreign-invested enterprises shall pay fees for land development and use. The rates shall be

set by the local municipal people's government according to the state's relevant laws and regulations and on the basis of the nature of different trades, the technological level of different projects, and the location of the land.

Enterprises producing goods for export and high-technology enterprises are exempted from land-use fees for five years, from the date they acquire the land-use rights; for the next five years after this they pay half the lowest land-use fee set by the local municipal government.

With the approval of the local municipal government, any one of the following projects may have its land-use fee exempted or reduced for a time:

1. Agricultural, forestry, animal husbandry, and fishery development projects;
2. Joint or cooperative ventures set up with township and town enterprises;
3. Communications and energy development projects and infrastructure; and
4. Projects for the development and use of beaches and tide land, and projects launched by enterprises to reclaim land from coastal areas or wasteland.

Article 13. Land-use fees are exempted for nonprofit businesses, such as educational, cultural, scientific-technological, health, sports, and other public welfare services; and their land development fees may be reduced or exempted with approval.

Article 14. The collection of land-use fees begins from the day a foreign-invested enterprise acquires the land-use rights. The fees are calculated once every six months and paid annually. They may also be calculated and paid up on the basis of the length of the land-use contract, but the maximum lump sum payment may not cover a period of longer than 20 years. There shall be no additional charge of land-use fees nor a reduction if they have to be readjusted during the period for which the land-use fees have been paid.

Except when the state has prescribed separately, the land control department shall collect the land-use fees and land lease fees and deliver them to the state according to regulations.

Foreign-invested enterprises may develop the land which they have acquired the rights to use, and they may also commission the local land control department to develop on their behalf.

The land control department shall use the land development fees which it has collected to compensate for land requisitioned by foreign-invested enterprises, for the dismantling and relocation of the original buildings, for resettling displaced personnel, and for building public facilities which directly support the foreign-invested enterprises.

Article 15. If a foreign-invested enterprise needs temporary land space for construction or for stockpiling construction materials and structures, it shall submit a request to the land control department. It shall pay a fee for the use of the land space once its request has been approved and a certificate for short-term land use has been issued.

Productive and trading operations and other profit-making businesses shall not be conducted on the land space for short-term use. Short-term land space may not be leased for more than two years. Once the space has been used, the enterprise shall be responsible for cleaning and reconditioning the site, and the land control department shall revoke the short-term land-use certificate and repossess the land.

Article 16. Fees for land development and land use shall be paid in the following manner:

When a piece of land is used by a foreign-invested enterprise, the enterprise shall be responsible for payments at regular intervals;

When a piece of land is used by a joint venture or a cooperative business, the Chinese partner shall make the payments at regular intervals if it uses the land-use rights as its share, and the enterprise shall make the payments if the land-use rights are not used as the Chinese partner's share.

Article 17. Land control departments at all levels shall finish processing within one month documents which foreign-invested enterprises submit for examination and approval, starting the date the documents are received.

Article 18. When disputes arise during the implementation of these procedures, the parties concerned shall do all they can to resolve them through consultation or mediation. If consultation and mediation fail, they must request arbitration according to law or bring the case to the people's court to be handled.

Article 19. These procedures apply to enterprises set up in Jiangsu with investment from companies, enterprises, and other economic associations or individuals in Hong Kong, Macao, and Taiwan.

Article 20. These procedures become effective upon promulgation.

Private Economy Sees Rapid Growth in Jiangsu

OW2801024894 Beijing XINHUA in English 0233
GMT 28 Jan 94

[Text] Nanjing, January 28 (XINHUA)—The private sector of Jiangsu Province's economy saw rapid growth last year.

Statistics show that the number of self-employed households has now reached 1.12 million, up by 28 percent, and private enterprises are up to 12,000, a 113 percent rise over 1992.

The rapid growth in the private economic sector is a result of favorable policies adopted by the Jiangsu provincial government.

Jiangsu dropped restrictions on the business scope for the development of private economy and took measures to encourage private enterprises and self-employed households to expand their business in technology-oriented and export-oriented services.

The Jiangsu Provincial Administration of Industry and Commerce also arranged for managers of private enterprises to go abroad to broaden their entrepreneurial vision.

The economic strength of private enterprises also increased last year. Of the 6,795 newly-established private enterprises, there are 174 households whose registered funds exceed 1 million yuan each.

The self-employed households and private enterprises turned over taxes of 2.7 billion yuan to the state in 1993, accounting for 11.6 percent of the total commercial and industrial tax payment in Jiangsu.

Last year, 86 private enterprises in Jiangsu set up joint ventures with overseas counterparts, an increase of over 100 percent over 1992.

The export value of the private enterprises in the province was 71.46 million yuan.

Jiangsu Service Industry 'Flourishing'

OW0202104394 Beijing XINHUA in English 0924
GMT 2 Feb 94

[Text] Nanjing, February 2 (XINHUA)—East China's Jiangsu Province enjoyed a great leap forward in its service industry over the past couple of years. Last year, Jiangsu's service sector accounted for 24.4 percent of the province's gross domestic product. For a long time, the service industry had trailed the more developed manufacturing industry. Since the 1990's the local authorities have given priority to boost the province's service sector. Of the newly launched industrial and commercial enterprises over the past two years, more than half were in the service sector. They range from commodity circulation and catering to real estate and entertainment.

Most privately-run businesses are in the service industries. More than 300 private establishments are engaged in consultancy in science and technology.

Investment in fixed assets of the service industry doubled last year, as it also did the previous year. Infrastructure such as transport and posts and telecommunications made remarkable achievements.

In 1993, the province built additional electric generating capacity of two million kw and installed telephone

exchanges with a capacity of 1.132 million lines. Construction is in full swing for highways connecting the provincial capital with Shanghai and other cities, ports and airports.

As a major commodities transfer center in the lower reaches of the Chang Jiang River, Jiangsu has set up close to the marketplace, more than 300 capital goods markets and over 130 financial markets. Overseas funds also poured into the development of tourism, retail business, property and infrastructure.

Experts believe the flourishing service industry in Jiangsu helps optimize its overall industrial setup and improve the investment environment. A service industry with a core diversified pattern is shaping up in major cities along the Chang Jiang river as they try to bring themselves up to international standards.

Shanghai Mayor Addresses Municipal Meeting

OW2601041594 Shanghai JIEFANG RIBAO in Chinese
9 Jan 94 p 1

[Text] Yesterday, at this year's first expanded executive meeting of the Shanghai Municipal Government, Mayor Huang Ju pointed out that the general goal of the municipal government's work in 1994 is to earnestly study Volume 3 of the *Selected Works of Deng Xiaoping* and the guidelines set by the Third Plenary Session of the 14th CPC Central Committee; to further unify our thinking and emancipate our minds; to seek new ideas; to be bold in pioneering new spheres of endeavor; to strive to seek breakthroughs; to create a new situation in Shanghai's work; to endeavor to make new breakthroughs in gaining the initiative in building socialist market economic operating mechanisms; and to strive to maintain the good trend of Shanghai's sustained, rapid, and healthy economic development.

The meeting's main topic was to review and sum up Shanghai's work in 1993 and to set guidelines for the current primary tasks. Mayor Huang Ju delivered an important speech at the meeting. He said: The past year was one in which Shanghai thoroughly carried out the guidelines of the 14th CPC National Congress and of the Sixth Shanghai Municipal CPC Congress, and in which Shanghai began to seriously implement the municipality's long-term development strategy to develop it into the locomotive for the development of the areas along Chang Jiang, and into an international economic, financial, and trade center. Last year was also an important one in which Shanghai strived to push its economic development to a new level, sought new breakthroughs in its reform and opening up, and strived to bring new changes in its urban construction, in order to score new achievements in building spiritual civilization and to lay a foundation for the municipality to change its face every year and to have a complete face-lift every three years. With the common efforts of all Shanghai people, we have fulfilled Comrade Deng Xiaoping's exhortation made early last year: "Let us work hard for another year; and let us brave the wind and waves, work in a down-to-earth

manner, and overcome all difficulties to scale new heights." Huang Ju reviewed Shanghai's work in 1993 from eight aspects: First, Shanghai's economic development was raised to a new level—its annual total output value amounted to 150 billion yuan, an increase of 14.9 percent, which was higher than the previous year. Since the beginning of 1993, Shanghai's financial revenues increased steadily, resulting in an annual increase of 30.6 percent. Also, Shanghai's economic structure continued to improve, as did the quality of its economic functioning. Second, we made new progress in Shanghai's urban construction; a total of 13 billion yuan, which was a record amount, was used to improve the city's infrastructural facilities. A number of key projects that constitute the framework of the city's three-dimensional traffic network were completed and breakthroughs were made in constructing elevated highways, bringing about quite a change in the city's skyline. Third, new steps were made in deepening Shanghai's reform. The framework for developing a large market system was initially completed, and work in this area rapidly became more law-based and regularized. The market's fundamental role of budgeting resources was further strengthened. Fourth, new progress was made in opening Shanghai to the outside world. Last year the city attracted more than twice as much foreign funds as it did the year before; in addition, the percentages of large foreign projects and of well-known multi-national companies' investment were comparatively high, and the percentage of their investment success was also high. Fifth, new breakthroughs were made in Pudong's development. Pudong's export-oriented economic function focusing on international financial services, foreign trade, and export processing, began to work. Sixth, new development was made in all social sectors of the city. A giant stride was made in the city's educational reform, and the process of industrializing Shanghai's new and high technologies accelerated noticeably. Seventh, we continued to improve the people's livelihood, people's income increased, and all projects of practical benefit to the people were completed. Housing construction was raised to a new height—new houses with a total floor space of more than 6 million square meters were completed; the quality of city residents' living conditions further improved. Eighth, the building of spiritual civilization reached a new level. Simultaneous soft and hard construction formed a powerful force for driving Shanghai's reform, opening up, and modernization forward. Huang Ju stressed: We must not be dazzled by our achievements; we should realize that many contradictions, difficulties, and problems still lay ahead. It is relatively difficult to handle the relationship between reform, development, and maintaining stability properly, and it is quite an arduous task to maintain the good trend of economic development. We need to double our efforts to overcome these difficulties and to solve these problems.

While reviewing and summing up Shanghai's work in 1993, Huang Ju emphatically pointed out: Under the leadership of the CPC Central Committee, State Council, and Shanghai Municipal CPC Committee; and

under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line adopted by the Third Plenary Session of the 11th CPC Central Committee, we must unswervingly adhere to the central task of economic construction, insist on constantly emancipating our minds, and insist on continuing to make explorations with Chinese characteristics, the characteristics of our time, and the characteristics of Shanghai—this is the foothold for Shanghai's constant efforts to create a new situation in reform and opening up, and to quicken the pace of Shanghai's modernization drive. We pursued the following five principles in carrying out our work in 1993: First, we adhered to the principle "development is the last word," seized the opportunity, quickened the pace of development, and did everything possible to speed up our economic construction. Second, we strived to maintain an edge in reform and in opening up, and quickened the step of building the socialist market economic system framework. Third, we insisted on using high standards for our urban construction work in order to lay a foundation for developing Shanghai into a modern international city. Fourth, we insisted on correctly handling the relationship between reform, development, and maintaining stability, to create a good social environment for accelerating reform and development. Fifth, we insisted on rallying the enthusiasm of the municipal government and the district and county governments to actively explore new ways for administering a super-size city.

Huang Ju continued: As to this year's work, an initial plan was set forth at the Second Plenary Session of the Sixth Municipal CPC Committee. We need to rely on the common efforts of all the people of Shanghai in carrying out the work ahead of us. We need to start from the beginning of the new year and to attend to everything we must do; we must ensure a good beginning, add a new dimension to our work, and maintain a good trend, in order to lay a solid foundation for completely achieving all the targets set for this year.

While discussing Shanghai's current tasks, Huang Ju pointed out: First, we should ensure a prosperous market, maintain economic stability, and attach great importance to price issues. Concerned departments of the municipal government should fully cooperate with each other, keep a close eye on the market situation, tighten market controls, and strengthen price supervision. They should resolutely crack down on any attempt to drive up prices and to manipulate the market, and on other illegal practices; and should sternly punish those involved. We should do everything we can to secure commodity supplies, ensure abundant stocks, and ensure commodity supplies during the coming Spring Festival season. Commercial establishments and the service sector should launch emulation campaigns on providing civilized and good services; all sectors should work hand in hand to enable Shanghai residents to enjoy a peaceful and happy Spring Festival. We should conscientiously carry out the state's major policies and ensure that all

reform measures are instituted in due time. The municipal government, and all district and county governments should continue to enhance their ability to deal with new situations and problems; they should strive to ensure that things proceed steadily and endeavor to maintain economic and social stability. Second, we should ensure social stability; we should continue to sternly and swiftly crack down on crimes, resolutely wipe out all kinds of social evils, and manage the population from other localities properly. We should further improve traffic control and conditions, and step up publicizing traffic regulations. Public transportation departments should take positive measures to solve commuting problems. We should take effective measures to improve safety work and to prevent major accidents from occurring. We should correctly handle the internal contradictions among the people and remove all destabilizing factors. Following the municipal government's guidelines, departments concerned should launch extensive activities to help the less fortunate; we should ensure that living allowances for retired workers and people with special difficulties are delivered to individuals. Third, we should ensure that rural areas' year-end distribution work is properly carried out; we should do our best to raise sufficient distribution funds to ensure that the peasants' burdens that have been removed by order are not reinstituted at year-end distribution. All county and township (town) governments should provide better guidance for conducting distribution work, step up coordination and inspection work, and endeavor to complete the work by the end of January. Fourth, we should step up work on preventing contagious diseases prevailing in winter and spring; we should strengthen inspection and supervision of food production work and food hygiene in all food stores; we should continue to ban the sale of blood clams. The news media should feature health education programs to enhance residents' health-care consciousness.

The meeting also decided the further division of work concerning preparatory tasks for holding the next municipal people's congress; the municipal government's efforts to restore and improve the Waitan financial district's functions; the establishment of new enterprise systems; the building of a central commercial district; and concerning the co-investment of large projects. Attending the meeting were vice mayors of Shanghai; responsible persons of all commissions, offices, and bureaus of the municipal government; and responsible individuals of all district and county governments.

Commentary Views Shanghai's Futures Markets

OW0102150394 Shanghai JIEFANG RIBAO in Chinese
24 Jan 94 p 1

[Commentary on current economic affairs by Liu Yusong (0491 3552 2646), Qian Wenying (6929 2429 3841), and Du Xiangsheng (6757 4382 3932): "Take Problems in Market Construction Seriously"]

[Text] As of the end of last year, Shanghai had 10 national-level commodity exchange markets, making 1993 a year of steady progress in the municipality's market construction. Building a framework of major commodity markets in Shanghai in accordance with the needs of a socialist market economy is a new agenda. The 10 commodity markets all have the characteristics of a modern market:

—The markets are comprehensive and large in scale.

Shanghai did not have a head start in major commodity market construction; however, it has advanced quickly and has surpassed the early starters. It not only leads the rest of the country in the number of national-level commodity exchange markets but also ranks among the top in transaction volume. The total amount of transactions reached 450 billion yuan last year. In addition, the municipality has comprehensive commodity markets, consisting of eight capital goods and two consumer goods markets. The eight capital goods markets cover all the categories of capital goods.

—The markets have instituted mechanisms for conducting futures transactions and are advancing toward becoming standard futures markets. All 10 major exchanges have instituted mechanisms for operating futures transactions, including a membership system, a cash deposit system, open bidding, and uniform settlement. In addition, they are all working hard to promote futures transactions. Shanghai's metals exchange conducted 108,737 million yuan of futures transactions using standard contracts last year, representing 28 percent of the total volume of the exchange's transactions. Shanghai's building materials exchange conducted four transactions using standard contracts as soon as it began operation at the end of last year.

—Their members are numerous and scattered throughout the country, and their structures are rational. Each of the exchanges has several dozen members, and one has 209. About half of their members come from other parts of the country while the other half are local enterprises. Among them are producers, end-users, businesses in the circulation area, and specialized brokerage companies.

—The rate of contract fulfillment has been fairly high. All the exchanges have formulated self-regulatory rules governing administration, transactions, and membership, thereby ensuring a good and sound market order.

—Development is uneven. Trading is more active in exchanges dealing with commodities that are more market-oriented. Shanghai's metals exchange, for example, had a record daily transaction of 5.7 billion yuan, and its total volume of transactions last year reached 400 billion yuan, making it the third largest metals exchange in the world. Trading is rather slow in exchanges dealing with commodities that are more planning-oriented. Shanghai's automobile exchange

market, farming goods exchange, and coal exchange had an average of 612,000 yuan, 739,000 yuan, and 964,000 yuan, respectively, in daily transactions.

Shanghai's 10 major markets have already made positive contributions. They have, for example, made initial contributions to reducing price fluctuations in spot markets by helping set prices and guide production. They have helped enterprises reduce their inventories and save capital through rational allocation of resources. They have removed from the economic system the elements of "informal transactions" and other factors affecting fair competition. They have helped train a number of specialized personnel for many emerging industries and trades.

Shanghai's national-level commodity exchange markets have also encountered problems during their development. The main problems, as reported by the exchanges, are the lack of a municipality-wide unified authoritative administrative agency; the lack of municipality uniform transaction rules and regulations; the lack of an independent settlement company serving the needs of the exchanges; and the lack of special warehouses for transactions in kind. In addition, futures personnel training and management are in chaos, and there are too many departments demanding transaction data. Further, the exchanges' self-regulatory rules and regulations are still in an early stage of development. There are many loopholes in hedging risks on the part of the exchanges and in monitoring members' trading practices.

Shanghai's national-level commodity exchange markets should pay close attention to the following tasks to ensure steady, regularized, and sound development:

1. The municipality should set up a separate market supervision and management commission to undertake comprehensive planning and rational distribution and to strictly screen the categories and varieties of commodities placed for trading. The commission should remove commodities not suitable for futures exchange and should help coordinate matters related to trading.

2. The municipality should transform two or three selected exchanges into standard futures commodity exchanges ahead of others and link them to the international market by cultivating and developing them on a priority basis. It should prescribe medicine for exchanges with slack business according to their symptoms: replacing commodities that will be planning-oriented for the next few years; based on the requirements of spot exchange, regulate markets that are not suitable for futures transactions; and merge various specialized futures exchange markets when conditions are ripe so that transactions can be conducted in a single market to improve efficiency.

3. The municipality should step up training of trading specialists, conduct in-depth study on trading issues, help organize influential multi-purpose brokerage companies, and attract more producers, end-users, and intermediary businesses to engage in futures trading.

Shanghai To Develop Computer Industry*OW0202102594 Beijing XINHUA in English 0837
GMT 2 Feb 94*

[Text] Shanghai, February 2 (XINHUA)—China's leading industrial center has decided to develop the computer industry into one of the pillars of its economy. Shanghai is one of the cities which took the lead in the country in the study and application of computers. It has imported advanced foreign technology and striven to catch up with the advanced world standards over the past decade.

According to the municipal authorities the city will pay attention to computerizing banking and commercial departments, introducing the use of household computers and application of computer software by setting up a number of computer production bases.

By the end of 1995, the computer sales volume in Shanghai is expected to double 199's [figure as received] figure of approximately one billion [word as received] yuan and all trades and professions will be computerized by the end of this century.

Shanghai Selects Site for Pudong Airport*HK0202024294 Hong Kong WEN WEI PO in Chinese
29 Jan 94 p B2*

[Dispatch by staff reporter Liu Chun (0491 5028): "Shanghai Has Chosen Site for Pudong International Airport, 20 Billion Yuan Project To Be Completed in Two Phases"]

[Text] Shanghai 28 Jan (WEN WEI PO)—The site for Shanghai's Pudong International Airport, which has attracted world attention, was officially selected recently. This first-class international airport with an investment of more 20 billion yuan will become a new international "showcase" for Pudong New District as well as greater Shanghai.

It is said that the selected site for Pudong Airport is located somewhere around Pudong New District's Jiang-zhen, Siwan, and Nanhui County's Zhuqiao Township, involving an area of 30 square km in the plan. The airport will comprise four runways, with a total investment of 20 billion yuan, and the project will be completed in two phases. Investment in the first phase will be 10 billion yuan.

Sources of funds for the Pudong airport will chiefly be collected from domestic and overseas markets, which will be borrowed, used, and repaid by itself, including the comprehensive exploitation and utilization of foreign funds, funds collected on domestic and overseas markets, and through the share-holding system. When this modern, multifunctional and comprehensive airport is completed, it will handle up to 300,000 flights, 60 million passengers, and 2 million tonnes of cargo; it will also 150 flights an hour at peak times.

Pudong Airport is approximately 20 km away from Shanghai's downtown district. Through investigation, experts believe that the site selected for the port possessed the best conditions of visibility.

Reports on Zhejiang Secretary's Activities**Addresses Party Plenum 24 Dec***OW2001011094 Hangzhou ZHEJIANG RIBAO in
Chinese 25 Dec 93 pp 1, 3*

["Li Zemin Speaks at First Plenary Session of the Ninth Zhejiang Provincial CPC Committee, Stressing Need to Implement the Tasks Set by the Party Congress With a New Attitude"]

[Text] Yesterday afternoon, the Ninth Zhejiang Provincial CPC Committee held a plenary meeting. Wan Yueyuan, deputy secretary of the provincial party committee and governor of Zhejiang, presided over the meeting. Chai Songyue, deputy secretary of the provincial party committee and vice governor, transmitted the national economic work conference guidelines. Li Zemin, secretary of the provincial party committee, delivered a speech on behalf of the provincial party committee standing committee to express views on how to implement the Third Plenary Session of the 14th CPC Central Committee decision and the provincial party committee's work in 1994.

Li Zemin said: The next five years will be a decisive period for forming an operational mechanism for a socialist market economy in this province and fulfilling the second-step strategic goal ahead of schedule as well as a period for laying down a good foundation for realizing modernization by 2010. The new provincial party committee is formed in a critical period of accelerating the pace of reform, opening up, and the modernization drive, so it has a great responsibility. You members, especially standing committee members, must do your best to fulfill your duties, persist in serving the people wholeheartedly, study diligently, and constantly raise your ideological, theoretical, and leadership levels. You should promote unity, strictly implement the democratic centralism system, and consciously accept supervision from various sides. We must take a new attitude and a new style of work, concentrate all forces to accomplish various tasks set by the provincial party congress, be worthy of the trust of the people of the whole province, and never let the party Central Committee down.

Li Zemin said: Next year will be critical for promoting reform in an all-round way and maintaining a fast and healthy development of the economy. It is extremely important to do well next year's work. The general demands for our work in the next year are: Firmly take Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line as our guidance; implement in an all-round way the 14th CPC National Congress, the Third Plenary Session of the 14th CPC Central Committee, and the Ninth Zhejiang

Provincial CPC Congress guidelines; take advantage of current opportunities to speed up reform and development; correctly handle relations between reform, development, and stability; persist in "attaching importance to both spiritual and material civilizations"; maintain social stability; and promote a sustained, fast, and healthy development of the national economy.

Li Zemin pointed out: Next year will be critical for promoting reform in an all-round way while centering around the work of establishing a socialist market economic structure. It will also be a year to deepen and expand the scope of reform with great difficulties. We must fully understand the complicated and arduous nature of promoting reform in an all-round way. Party committees and governments at various levels must make greater efforts and strengthen their leadership over the reform work, pay attention to solving key problems, plan and organize reform work carefully, insure stability, reduce risks, and strive to achieve success in the reform work. We should stress the following five points: 1) It is necessary to continue the work of changing the enterprises' operational mechanism and take the reform of the property rights system as the breakthrough point in experimenting with the modern enterprise system at selected units. 2) It is necessary to give prominence to establishing and developing various markets for the basic means of production while consolidating and improving the existing commodity markets. 3) It is necessary to continue the social security system reform. 4) It is necessary to promote comprehensive reform in finance, taxation, banking, and investment in a planned manner. 5) It is necessary to promote organizational reform and change government functions.

Li Zemin pointed out: We must adhere to the main direction of taking advantage of the current favorable conditions to accelerate reform and development, and should follow the central guidelines of relying on reform in promoting development. We must not seek rigid uniformity in the speed of economic development. We should make the investment structure as effective as possible and increase the returns on investment. The general demand on economic work is to raise economic quality and efficiency through reform, reorganization, transformation, structural adjustment, technological progress, and improvement of enterprise management. We should stress four points: 1) It is necessary to strengthen leadership over agricultural work and give priority and prominence to the work. 2) It is necessary to further open up to promote reform and development. While increasing the total volume of export-oriented economy, we should also pay attention to quality. 3) It is necessary to adjust the production structure and raise economic results. 4) It is necessary to continue the speedy construction of infrastructure works and make great efforts to reduce the limits of "bottlenecks."

Li Zemin pointed out: To accomplish next year's reform, construction, and other tasks, we must persist in paying attention to "both links" [liang shou zhua 0357 2087

2119] and maintain a stable social and political environment. We should promote reform and construction amid stability, and rely on reform and construction to insure long-term stability in society. This should be an important principle in next year's work. First, we should control the level of price increases and do a good job in improving people's living conditions. Second, we should do a good job in six things [liu jian shi 0362 0115 0057] solidly. Third, we should correctly handle various kinds of contradictions in society, and do a good job in the comprehensive management of public security. Fourth, we should promote socialist democracy and the construction of the legal system. Fifth, we should firmly unfold struggles against corruption and achieve effective results step by step.

Li Zemin emphatically pointed out: To accomplish various tasks in the next year, the key lies in strengthening and improving the party's leadership. We should improve ourselves, have a new mental outlook and style of work, do things in solidly, and make actual achievements. To improve the party's own building, first of all, we must pay attention to improving the leading bodies at county and above level. We should consider the work of organizing the study of Volume 3 of the *Selected Works of Deng Xiaoping* as a work of primary importance. Meanwhile, we should also study well the Third Plenary Session of the 14th CPC Committee decision. We should train all leading cadres at and above county level next year. We must not slacken our efforts to improve the ideology and work style of leading cadres. Party committees at various levels must set strict demands on leading cadres, and train and supervise them strictly. We should attach great importance to the building of party organizations at the grass-roots level. In particular, we should continue to improve the backward party branches in rural areas and actively explore ways to improve party organizations in village and town enterprises and "joint ventures, cooperative ventures, and wholly foreign-owned enterprises." We should do a good job in admitting new party members from plants, rural areas, science-technology research institutes, and the education front. Leading cadres at various levels should conscientiously and honestly perform their duties and effectively improve their leading style. First, the provincial party committee should concentrate on discussing and tackling major issues, hold periodic meetings to analyze current situation, and have a good grasp of the trend of economic and social development. It is necessary to attach importance to investigation and study. Provincial party committee standing committee members should at least spend two months at lower levels and make one or two investigation and research reports according to their respective duties for reference when the standing committee makes policy decisions. Second, they should take the whole situation into consideration, coordinate the work of various sides, establish a responsibility system for their respective duties, and develop the role of the provincial party committee and its standing committee. Third, standing committee members should pay attention to supervision and inspection, and plan to carry out

inspection work. They should timely supervise and check the implementation of provincial party committee arrangements. Standing committee members and concerned departments should report to the provincial party committee, and each level should check the work of the lower level to ascertain the implementation and results of various resolutions. Fourth, it is imperative to forbid formalism and reduce "documents and meetings" and various kinds of social activities. Meetings and speeches should be short, and things should be done in an effective manner with actual results.

Those attending yesterday's plenary meeting were provincial party committee members and alternate members. Provincial discipline inspection commission members, leading party cadres at and above deputy provincial department head level, veteran party comrades, party committee secretaries of various cities (prefectures) and counties, various mayors, various prefectural commissioners, responsible members of the provincial people's congress and the provincial committee of the Chinese People's Political Consultative Conference, and principal responsible members of party committees (leading party groups) of various provincial level departments attended the meeting as observers.

Attends Economic Meeting 13 Jan

OW2601225094 Hangzhou Zhejiang People's Radio
Network in Mandarin 1000 GMT 15 Jan 94

[From the "Provincial News Hookup" program]

[Text] At the provincial meeting on economic work which concluded on 13 January, provincial party secretary Li Zemin discussed his opinions on how party and government organizations at all levels can improve their leadership and ideology to carry out well this year's economic work.

Li Zemin said: This year is critical for pushing forward reform in a comprehensive way and accelerating economic development. The overall requirement for the work is that we should continue to carry out the guiding spirit of the 14th CPC [0006]ongress, the Third Plenary Session of the 14th CPC Central Committee, and the ninth provincial CPC congress by further emancipating the mind, seeking truth from facts, seizing opportunities, deepening reform, opening wider to the outside world, accelerating economic development; pushing forward economic restructuring, technological progress, and enterprise management; and enhancing economic quality and efficiency through reform, reorganization, and transformation so as to maintain the sustained, rapid, and healthy development of the national economy and to promote social and political stability.

Li Zemin said: It is an essential task to maintain the sustained, rapid, and healthy development of the national economy. But we must adopt new approaches to develop our economy because great changes have occurred in the economic environment this year. It is absolutely not practical for us to continue the same old

ways of rashly launching new projects and engaging in extensive enlargement and extensive management. We should have a real change in our guiding ideology of economic development. A new economic structure has created good conditions for enterprises to compete on equal terms and to seek self-development. It is necessary to seize favorable opportunities by deepening reform and taking greater advantage of the market mechanism, as well as of economic, legal, and policy means to gradually lead the economy onto the right track of optimizing the economic structure, enhancing economic quality and performance, and becoming more export-oriented. In terms of concrete guidance for the work, we should, first of all, work harder on agricultural production. We should conscientiously put it on the priority agenda. Party committees and governments at all levels should strengthen their leadership and correct their laissez-faire tendency so as to stabilize grain production. The orientation of the reform adopted by the central authorities last year should be maintained. It is necessary to conscientiously carry it out in accordance with various policies and measures adopted last year by the provincial meeting on rural work. Meanwhile, further efforts should be made to adjust and improve the reform in light of current new conditions and problems. All in all, we should not only maintain stable grain production but also continuously increase peasants' income. Efforts should also be made to ensure the supply of vegetables, pork, and other nonstaple products in large and medium cities. We should adopt measures to gradually establish means of macroeconomic regulation and control over the production, circulation, and storage of grain, edible oil, meat, and vegetables to stabilize the market with a sufficient supply. Second, great efforts should be made to restructure the economy and enhance economic efficiency. It is imperative to seize vital opportunities to achieve new progress. We should also meet the requirement of the market, focus on improving economic quality and efficiency, and accelerate the pace of readjustment. While striving to improve large and medium enterprises, we should attach great importance to medium and small enterprises, which are large in number and which affect many economic sectors. Particular attention should be paid to reorganizing and transforming enterprises which are small in size, have insufficient funds, have large losses, and are unable to function properly. More efforts should be made to improve products, to enhance technical progress, to expand markets, and to merge enterprises. We can achieve better economic results through strengthening the reform, management, reorganization, and transformation of enterprises. Third, it is necessary to accelerate the growth of the export-oriented economy. It is our unswerving principle to develop an export-oriented economy. We must take steps and make greater efforts to publicize our drive and in communicating with the people. In this way, we can foster a favorable image and maintain the positive momentum of increasing foreign funds, foreign trade, and economic ties with foreign countries. Fourth, we must continue to accelerate the construction of basic facilities, further free our way of

thinking, and continue to thoroughly carry out the reform so as to gradually relieve bottlenecks.

Li Zemin said: In carrying out reform, we should adhere to the principle of integrating measures for achieving major breakthroughs with supplementary measures. In light of requirements for establishing a modern enterprise system, we should make a breakthrough in reforming property rights, accelerate the change of enterprises' operating mechanisms, and deepen their overall reform. While focusing on experiments with the modern corporate system, we should make more efforts to reform medium and small enterprises, which are large in number and which affect many economic sectors. Active efforts should be made to explore rational forms and ways to merge and manage medium and small enterprises. For small enterprises, we should work harder to improve their structure by having them contracted out or leased. We should transform and merge them. In some cases, we should auction them off or let them go bankrupt. We should clearly define their property rights and carry out an inventory and examination of their stockpiles and capital. Collective enterprises in urban and rural areas should actively and properly practice, to a greater extent, the shareholding corporate system. To keep in step with this effort, we should also push forward the development of the factors-of-production market and the reform of organizations making up the social security system.

Li Zemin said: The greater difficulty we encounter in reform and economic development requires that we exert greater efforts to "grasp two links" because this is a task which has a great bearing on the overall state of social stability. At present, we should attach great importance to ideological and political work and launch an extensive propaganda and educational drive. Meanwhile, we should integrate ideological and political work with efforts to solve the people's concrete problems. We should conscientiously carry out the work of stabilizing commodity prices, improving the "vegetable basket" project, subsidizing the living expenses of workers and staff members, and helping people solve their problems. It is imperative to analyze and handle various contradictions among the people. We should give priority to ideological and political work as well as to other related work, and we should carry these out thoroughly. In terms of the anticorruption struggle and the construction of spiritual civilization, we should carry these out in accordance with the plan adopted by the provincial party committee. We must see to it that the expected results for the current stage are achieved.

Li Zemin said: It is necessary to stress the importance of investigation and study. Leading comrades at all levels should have a clear understanding of the trend of economic and social development. Their current important task is get rid of such activities as wining and dining. They should go to grass-roots units and the production front line to learn the real situation so as to gain the initiative in leading the work.

Zhejiang To Spread Share-Holding System

OW0102135094 Beijing XINHUA in English 1308
GMT 1 Feb 94

[Text] Hangzhou, February 1 (XINHUA)—East China's Zhejiang, one of the economically developed provinces in China, plans to apply the standardized corporate enterprise system to some 1,000 state-owned enterprises this year in a bid to accelerate expansion of the shareholding system.

Addressing a working conference which ended here recently, Lu Wenge, director of the provincial committee for restructuring the economy, mentioned that the shareholding system will also be applied to energy and infrastructural construction.

He noted that the reform of the property rights system will be deepened, too. Meanwhile, such sectors as accounting, audit and law offices as well as the securities exchanges will play important roles in supervising the process of the reform of those enterprises.

Zhejiang is one of a handful of provinces which piloted the introduction of the shareholding system in China in the late 1980s.

Over the past few years, the province has already witnessed remarkable progress in establishing and expanding the shareholding system in its state-owned, collective and private firms.

By the end of 1993, the province had approved some 126 standardized shareholding companies, involving a total registered capital of about 8.15 billion yuan, according to official sources.

Of those 126 companies, 15 have issued stock publicly and eight have been listed on the stock exchanges in Shanghai and Shenzhen.

In addition to the shareholding system, the formation of limited liability companies has expanded greatly, with some 1,067 limited liability companies approved in the province by the end of 1993.

Apart from the step-by-step transformation of state-owned enterprises to the shareholding system, some 700 small collective firms as well as more than 60,000 rural enterprises have also adopted the new system of cooperative shareholding.

Through transforming management mechanisms, most of the shareholding companies have collected enough money to enlarge the production scale and have already made greater profits.

Meanwhile, the province has also made progress by introducing the shareholding system in the development of such basic industries as energy, transportation and telecommunications, which had hindered the development of the economy as a whole because of a lack of construction funds.

Yan Chunyou, an official under the provincial committee for restructuring the economy, said, "the reform of the share-holding system is the key to the modern enterprise system, and it's an effective way to enlarge the production scale of those firms who adopt this system and to improve their performance in both international and domestic markets."

The introduction of the share-holding system has not only defined property rights clearly but also boosted reforms in the employment, distribution and management systems of the enterprises, Yan said.

China is now making painstaking efforts to transform the management mechanism of its state-owned enterprises, in a bid to build a modern enterprise system, one of the major objectives of its economic development.

Central-South Region

Guangzhou To Introduce Wage Reform Program

HK3101052094 Hong Kong SOUTH CHINA MORNING POST in English 31 Jan 94 p 1

[By Daniel Kwan in Guangzhou]

[Text] A major wage reform programme is expected to be introduced in Guangzhou this year to boost the income of the six million urban residents as the Chinese Government struggles to contain inflation below 20 percent. The proposed programme, likely to be introduced in June, will increase the basic salaries of most government cadres.

The central government postponed a plan to turn its 34 million cadres into civil servants over fears that the move would fuel inflation. Sources said that Guangzhou was wealthy enough to proceed with its scheme.

Under the plan, the average take-home pay of government cadres would be raised to a level "slightly higher than" or "at least on par" with the amounts paid by enterprises of similar nature. A source said the basic wage of an average cadre could be increased to about 600 yuan (HK\$532) a month, and a senior ranking official might receive more than 1,000 yuan a month.

However, critics fear that lower-income groups and pensioners will continue to suffer as prices continue to rise. Last year, the official inflation figure for Guangzhou was 24.1 percent. The government hoped to contain the figure at 15 percent this year.

Although city government officials admitted that prices had jumped 20 to 30 percent since November they claimed that the increases were still within the limits that the majority of Guangzhou residents could bear.

Guangxi Prefecture Sees Border Trade Increase

HK0102143294 Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 28 Jan 94

[Text] Nanning Prefecture has taken flexible methods to enliven border trade. In 1993 the prefecture registered a total trade volume of 1.285 billion yuan, an increase of 20 percent over the previous year. Last year Nanning Prefecture's border trade declined for a period of time. For this reason, the prefectural party committee conducted market surveys, formulated a preferential policy, and coordinated relations between different departments, thus developing border trade to a new height.

Now this prefecture has taken new measures to bring about further development in border trade.

Hainan Governor Meets Mercedes Benz Visitors

HK0102124894 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 24 Jan 94

[Text] In his office yesterday afternoon, Governor Ruan Chongwu met the manager of the foreign business department of Mercedes Benz Automobile Company of Germany and the manager of its planning department. Ruan Chongwu briefed the German guests on Hainan's investment environment and its basic facilities construction. He also discussed relevant problems with them.

The German guests came to the Hainan Automobile Factory by invitation and signed a feasibility research plan on [words indistinct] with the Hainan Nanfang Automobile Company. Also present at the meeting was Zhang Keqin, assistant general manager of the China Automobile Industrial Corporation.

Hainan Forms Monetary Structural Reform Program

HK0102125094 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 24 Jan 94

[Text] Hainan has basically formulated a monetary structural reform program. The general orientation of the province's monetary structural reform is that the monetary structure should correspond with development of a socialist market economy and that monetary structural reform should help promote Hainan's development and construction. The reform program has four main aspects.

The first is speeding up the separation of policy-type monetary service from commercial-type monetary service. The policy-type and commercial-type loans in industrial and commercial banks as well as in agricultural banks should be managed separately. [words indistinct]

The second is [words indistinct]

The third is further improving and developing the money market. Mutual transfer of state assets should be gradually introduced. Avenues should be expanded for

the introduction of foreign capital so that the foreign exchange market will further develop.

The fourth is stepping up the computerization of Hainan's monetary business, forming a computerized banking system throughout the province, and creating conditions for automation in banking accounts, credits, deposits, information statistics, handling of business, and office work to provide all kinds of monetary service for economic construction.

Henan Mining Machine Company Merges With CITIC

HK0102132294 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 25 Jan 94

[Text] The Luoyang Mining Machinery Factory, China's largest mining machine building enterprise, yesterday changed its name and hung out a huge nameboard for the Heavy-Duty Machinery Company of the China International Trust and Investment Corporation [CITIC], thus formally merging into CITIC. CITIC General Manager Wang Jin, and Sun Changji, vice minister of machine building industry, attended the ceremony together with more than 20,000 staff members and workers, and cut the ribbon.

The Luoyang Mining Machinery Factory was one of the 156 key projects established by the state during the First Five-Year Plan. In the last 35 years, this large enterprise, with fixed assets of 420 million yuan, has provided a large amount of equipment for basic industries including the coal, metallurgical, building materials, mining, and electric power industries. But this factory lacks self-accumulation and self-transformation capacity, its equipment has become seriously obsolete and its stamina is inadequate. Therefore it is difficult to accomplish anything big in market competition.

The general manager of the the CITIC Heavy-Duty Machinery Company said: Introducing the shareholding system is a new way out for large and medium-sized state enterprises. Our purpose in selecting CITIC, which is a solid financial group, is to move ahead faster and better in introducing the shareholding system.

As a branch company of CITIC, the Heavy-Duty Machinery Company still maintains the status of legal person and assumes sole responsibility for its losses and profits in its independent operation.

Hubei Strives To Improve Telecommunications

OW2901083794 Beijing XINHUA in English 0754 GMT 29 Jan 94

[Text] Wuhan, January 29 (XINHUA)—Central China's Hubei Province is making great efforts to improve its telecommunications services in a bid to improve its investment environment.

According to local officials, the province has earmarked 1.2 billion yuan in the past three years for the installation

of more telephone lines and the opening up of related telecommunications services.

At present, the province has 690,000 telephones lines, including 70,000 computer-controlled ones. In 1990 the province had only 170,000 telephone lines.

In this provincial capital the telephone numbers will jump from six to seven digits beginning midnight March 5.

The increasingly improved telecommunications services have in turn promoted the opening drive in the province, and have helped enterprises locate in remote areas to establish closer links with the outside world.

Shenzhen Figures Show 'Many Honest' Officials

HK0202093494 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0934 GMT 25 Jan 94

["Special Feature" by reporter Yuen Shan (0626 1472): "How Many Incorrupt Officials Are There in Shenzhen?"]

[Text] Shenzhen 25 Jan (ZHONGGUO TONGXUN SHE)—It has been almost six months since the anticorruption struggle started in Shenzhen. According to the figures and conditions published by related departments, there are many honest officials.

Based on the statistics of 79 units at and above deputy-bureau levels directly under the Shenzhen city authorities and 53 enterprises directly under the city's jurisdiction, 126 leading bodies got a score above 80, and only six got a score below 79; of the 626 officials in leading posts of these units, 526 got a score above 80, and only 3 got a score below 59.

Another figure from a still wider range was that of the 4,635 officials at and above department levels, 339 believed themselves failing to meet the requirements through self-examination, accounting for 9.3 percent.

Failing to meet the requirements refers to those officials who accepted all sorts of gift money, securities (including "Great Wall" credit cards presented by subordinate units), imported liqueur, cigarettes, wristwatches and goods in various categories, and those "officials doing business," namely, those who worked as part-time board directors, deputy board directors, general managers and vice managers in enterprises. Should officials in this category return the money and gifts on their own, or resign their part-time offices, they would be regarded as having conducted self-correction. After that, they would have to sign a letter on the "responsibility system in anticorruption to insure clean government." Such "letters of responsibility" varied in contents with different trades, but will become the criteria for work of officials at various levels in the days to come.

Since last September, Shenzhen investigated and handled a number of major cases, with 15 suspects, who were cadres at and above department levels involved; in

addition, 119 economic criminals involving corruption and bribery were apprehended. A number of criminals at large were rounded up, with scores of millions of yuan in illicit money recovered.

It was said the atmosphere of honesty was on the rise. Government departments have begun to treat their guests at the canteen; enterprises stopped giving gifts and holding banquets for their opening ceremonies. The number of cadres refusing gift money and bribes rose by a wide margin.

People here believe that the anticorruption struggle has not been thoroughly conducted, and the tasks for the struggle remained arduous.

Shenzhen Reports Foreign Exchange Black Market

*HK0102114394 Beijing ZHONGGUO XINWEN SHE
in Chinese 1114 GMT 29 Jan 94*

[By reporter Geng Jun (5105 6511)]

[Text] Beijing, 29 Jan (ZHONGGUO XINWEN SHE)—According to the State Administration for Industry and Commerce, from March 1992 to the end of last year, the Shenzhen city industrial and commercial administration department investigated and handled a total of 109 cases of foreign exchange black-market transaction and cracked 132 "illegal foreign exchange transaction shops."

The State Administration for Industry and Commerce's analysis of these cases indicates the following special characteristics of "foreign exchange black-market transactions":

1. Foreign exchange transaction shops are established illegally and operate without licenses. All the "foreign exchange black-market transaction shops" that were investigated had not registered with the industrial and commercial administration department, but they dealt in illegal foreign exchange business under such names as "futures transaction department," "investment company limited," "international banking center," "representative office," and "liaison office." For example, Shihua Commodity Futures Transaction Division, International Banking Information Center, and Bailigao Investment Company Limited were all operating without registering with the industrial and commercial administration department.

2. They use advanced means to run illegal businesses, such as laser teleprinters and computer display units. As for telecommunication equipment, they use mobile phones and walkie-talkies. Whenever they sense any trouble, the shop owners will run away with account books and cash and hide out. Soon after a black-market shop is closed down somewhere, another new shop opens somewhere else.

3. In a certain sense they are cheating their clients. These illegal foreign exchange black-marketeers use official seals they made on their own without authorization. Claiming themselves to be "foreign exchange transaction agents," they lure clients into dealings. Usually they charge their clients 80 to 150 yuan for transaction of a lot (1,000 shares). And they remit the cash they collect from their clients soon after transaction, while the so-called "international financial market information" reflected in their computers is all outdated information. For example, a client coming to Shenzhen from somewhere else in China, was lured into foreign exchange transaction by a "Fuxing Trading Company" and a "Zhuhai Trading Company," which were established by two Englishmen. He first invested HK\$100,000 [Hong Kong dollars] in the business. Then the agent lied to him that his investment had earned him an equal amount of profit. Feeling that it was easy to make money from foreign exchange transactions, the investor invested another HK\$100,000. However, a few days later, the agent lied to him that the foreign exchange market had slumped and all his capital, HK\$200,000, had been lost in the business. In order to recover his loss, the client invested an additional HK\$700,000, and again all his money was lost in one month. When he realized that this was but a fraud, the cheats had already run away with all the money.

4. The agents cheat their clients, and the clients in turn cheat other clients. The pay an agent gets is proportional to the number of his clients and the amount of transactions he manages to conclude. Therefore, some innocent young people tried very hard to push others to invest in foreign exchange business. Some of them first cheated their families, relatives, and friends, and then induced them to cheat other relatives and friends. Thus they started a chain of fraud.

The State Administration for Industry and Commerce believes that the main reason why "foreign exchange black-market transactions" persist despite repeated bans is because no strong action has been taken to fight these activities. The existing laws and regulations do not set any concrete penalties against black-marketeers, hence the law enforcers have no rules to follow in this regard.

Shenzhen Workers Complain of 'Mean' Foreign Bosses

*HK3101151294 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0610 GMT 28 Jan 94*

[By reporter Yuan Shan (0626 1472)]

[Text] Shenzhen, 28 Jan (ZHONGGUO TONGXUN SHE)—Some foreign businessmen in Shenzhen have become very mean and operated in a barbaric way, causing endless complaints from workers.

So-called becoming very mean and operating in a barbaric way refers to the situation in which some foreign businessmen do not care about China's laws and regulations, do not respect workers, and do not go through

formalities when hiring workers; they beat and swear at workers, treat them badly, embezzle their wages and own them remuneration, and let them work in poor working conditions.

Recently, a Taiwan-funded footwear company with limited liability in Songgang, Baoan District, Shenzhen, has been sanctioned for violation of the relevant regulations in China. According to information, each month, the company deducted from every worker 20 yuan of deposit money, and 11 yuan of management fee, but it did not refund the money to the workers 16 months after the agreed upon time. The average overtime work of a worker is 150 hours every month, but the overtime pay is only 1 yuan per hour. What is particularly mean is that workers are not allowed to go out of the door of the factory during daytime, or to visit one another; they are not allowed to talk when eating meals, and those who break the rule will be fined 30-50 yuan. When they come to work or leave the workplace, or when they enter and leave their dormitories, or when they go to the canteen, there are fixed routes for them to walk, and once they trespass over the line, they will be fined or asked to stand for a period. The incidents of beating and swearing at workers have often happened. An electric worker whose name is Zhou was suspected of stealing by a responsible person of the company, and although no evidence against him has not found, Zhou has been beaten and his head bled.

After an investigation, the Shenzhen City's Labor Bureau and the trade union have sanctioned the company.

In January this year, in just 10 days or so, Shenzhen City's Labor Bureau received over 160 complaint letters sent by workers, and met 370 people who came to complain. The complaints mainly involved wages and project remunerations not paid by bosses to workers, resignation allowances not paid to workers after they resigned, security deposits the workers paid at the time they were hired by factories were not paid back to them, barbaric management, maltreatment of workers, and so on. Among all these phenomena, the phenomenon of outstanding payments to temporary workers is very serious. According to the statistics provided by Luowu District Labor Disputes Arbitration Office, in the district alone, the outstanding wages amount to more than 100,000 yuan.

Southwest Region

Sichuan Secretary Comments on Family Planning Work

HK0102152894 Chengdu Sichuan People's Radio
Network in Mandarin 2300 GMT 23 Jan 94

[Text] The provincial party committee and government jointly held a family planning forum yesterday.

Provincial party committee Secretary Xie Shijie delivered a speech in which he called on principal party and government leaders at all levels across the province to correctly handle dialectical relations between population and economy; strengthen a sense of urgency in population control while striving to push economic growth onto a new stage; and further improve family planning work.

At a time when a provincial people's congress session and a provincial Chinese People's Political Consultative Conference session were being held, the provincial party committee and government jointly invited principal prefectural, city, and autonomous prefectural leaders, as well as principal leaders in charge of the various provincial departments concerned, to a forum to discuss family planning work. This was indeed an unprecedented move in the province's history.

Qin Yuqin, provincial party committee deputy secretary, presided over yesterday's forum at which she delivered a speech, calling for establishing a system whereby family planning forums are held at regular intervals so that leaders can discuss and formulate strategies and push family planning work onto a new stage.

Zhang Zhongwei, provincial party committee standing committee member and provincial vice governor, first took the floor to brief the leaders on Sichuan's population situation.

Provincial party committee Secretary Xie Shijie and Xiao Yang, provincial party committee deputy secretary and provincial governor, delivered important speeches at the forum.

Comrade Xie Shijie pointed out: While building a socialist market economic structure we should correctly handle dialectical relations between population and economy; place population growth under control; and strive to improve population quality, this being our basic national policy with special significance to Sichuan entering the international market and participating in international competition. He stated: Market competition will in no way repel family planning. Rather, it calls for integrating social family planning with household family planning; integrating a social restriction mechanism with an interest orientation mechanism; integrating propaganda and education with the legal system in this regard; integrating administrative management with family planning among the masses; and integrating conception and sterilization with quality childbirth in order that the broad masses of the people are able to consciously implement family planning in production activities, daily life, and family life.

Comrade Xie Shijie called on principal party and government leaders at all levels to conscientiously implement to the letter all five family planning requirements laid down by General Secretary Jiang Zemin; take personal charge of and assume overall responsibilities for family planning work; and firmly grasp the following three work aspects:

1. Strengthen grass-roots family planning networks and implement the instruction issued by the provincial party committee and government about stabilizing the family planning contingent, building more family planning offices at the township level, and training family planning contingents at the village level;

2. Conscientiously examine the family planning situation and assume personal responsibility for attaining family planning quotas.

3. Increase the financial input into family planning; provide family planning with sufficient operational funds; take family planning as an important criterion for appraising, commending, rewarding, selecting, and promoting party and government cadres; and step up education on family planning as one of the basic national policies among party members and cadres. The party members and cadres should try to set a fine example and play an exemplary role in this regard.

Comrade Xiao Yang said: Being a populous province, Sichuan will find it more difficult to realize comparatively well-off living standards. In view of this situation, principal party and government leaders at all levels should take personal charge of and assume overall responsibility for family planning work. We should strive to build stronger and more efficient family planning organizations and support grass-roots family planning cadres in their work. All cities across the province should step up control of the floating population and provide family planning with sufficient operational funds. Should we fail to provide family planning with sufficient operational funds, we will unavoidably face serious consequences and have to spend more money in this connection.

Yang Xizong, provincial people's congress standing committee chairman, also delivered a speech in which he stressed: We are carrying out family planning work here in Sichuan on a solid basis. We have both rich family planning experience and effective family planning measures. Family planning depends on human efforts! We should conscientiously publicize and implement "Sichuan Provincial Family Planning Regulations"; conduct family planning in accordance with the law; further regularize family planning; and place family planning within the orbit of the legal system.

Leaders from Chengdu, Chongqing, Neijiang, Nanchong, and some others areas across the province reported on their respective family planning work; exchanged family planning experiences; and studied ways and means of strengthening family planning.

Also attending the forum were Song Baorui, Yang Chonghui, Diao Jinxiang, Xi Yifang, Kang Zhenhuang, Liu Changjie, Geng Quanli [provincial military district political commissar], Zhang Shikui, and others.

Tibet Promotes Development of Markets

*OW0202113594 Beijing XINHUA in English 0934
GMT 2 Feb 94*

[Text] Lhasa, February 2 (XINHUA)—The Government of Tibet Autonomous Region has achieved much progress in the past few years in the development of markets.

The government invested about 25 million yuan in the construction of markets in recent years. Some 99 market places were established or reconstructed with the building area totalling more than 100,000 square meters.

The investment in the markets greatly improved efficiency. Last year the transaction value on free markets in urban and rural areas in Tibet was more than 900 million yuan, accounting for 47 percent of the region's total retail sales.

The development of markets has enhanced the commodity sense of farmers and herdsman and markets have played a growing role in promoting the production of agriculture and animal husbandry.

Tibet has also set up some specialized markets for trading in herbs, animal products, timber, rolled steel and automobiles.

It has opened 28 markets on the frontiers to increase its trade with neighboring countries such as India, Nepal and Bhutan.

This year Tibet will set up auction markets and a job placement center so as to promote its market economy.

Returned Tibetans Celebrate New Year in Lhasa

*OW0102161894 Beijing XINHUA in English 1608
GMT 1 Feb 94*

[Text] Lhasa, February 1 (XINHUA)—About 100 Tibetans who returned from overseas in the past few years gathered in Lhasa today to celebrate the coming Tibetan new year.

Along with the opening-up and economic growth of the Tibet Autonomous Region, more and more overseas Tibetans are coming back to visit relatives, to sight-see and to resettle. Last year more than 100 families came back to settle down.

Tibetans living abroad have helped promote their hometown economies and improved local school and hospital facilities.

Tibetans are welcome to return to visit their relatives and settle down and they are free to come back and to leave again. Basang, a regional government official in charge of the reception of returned Tibetans, said at the gathering.

Yunnan Statistical Bureau Reports Economic Improvements

HK0102141494 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 28 Jan 94

[Text] According to the latest statistics provided by the provincial statistical bureau yesterday, in the course of establishing a socialist market economic structure, Yunnan has strengthened and displayed the role of macrocontrol and regulation, thus bringing about a good trend of sustained, stable, and healthy national economic development.

Last year the province seriously implemented the relevant state macroeconomic policy. This helped alleviate prominent contradictions and problems in economic life. The national economy steadily developed on the basis of speedy growth in the previous year. Last year the gross domestic product amounted to 64.8 billion yuan, an increase of 10 percent over the previous year. In agricultural production, grain output totaled 10.85 million metric tons despite natural disasters, an annual increase of 1.39 percent, the second best harvest year in the province's history.

Major industrial crops and livestock products increased. Township and town enterprises registered a trend of speedy growth, and their total income increased by 53.2 percent. Industrial production saw steady growth. Last year the gross industrial output value amounted to 52.7 billion yuan, an increase of 13.8 percent over the previous year. Investment in fixed assets in the entire society increased by 65.9 percent over the previous year. A number of key construction projects were fulfilled and put into operation as scheduled. Market sales gradually changed from being too brisk to being stable. Allowing for price increases, the total retail sales of commodities increased by 25.8 percent over the previous year. Sources of commodities were adequate. Supply was in excess of demand. The situation in revenue was good. Local revenues amounted to 20 billion yuan, an increase of 83.7 over the previous year. Financial order improved, civilian deposits increased by a wide margin, and large-scale money injections were initially controlled.

The incomes of city and town people increased and their standard of living improved. The per capita income of city and town people actually rose by 8.2 percent and peasant per capita net income actually increased by 2 percent.

North Region

Inner Mongolia CPC Plenum Ends 28 Dec

SK2801003094 Hohhot NEIMENGGU RIBAO in Chinese 29 Dec 93 p 1

[By Wang Jie (3769 3381): "The Eighth Plenary Session of the Fifth Inner Mongolia Autonomous Regional CPC Committee Ends Satisfactorily"]

[Text] After seven days in session, the Eighth (Enlarged) Plenary Session of the Fifth Regional Party Committee satisfactorily ended on 28 December.

Present at the closing ceremony were Wang Qun, Wu Liji, Qian Fenyong, Bai Enpei, Wang Zhan, Geriletu, Yang Enbo, and Wuyunqimuge.

Wu Liji made a summing-up speech. Wang Zhan chaired the session.

The session approved the report entitled "Expand the Extent of Reform, Accelerate the Economic Development, and Strive To Create a New Situation in Setting Up the Socialist Market Economic System" made by Comrade Wang Qun on behalf of the standing committee of the regional party committee.

The session called on the party organizations and the broad masses of Communist Party members across the region to firmly remember the purpose of serving the people, regard the task of ceaselessly liberating and developing productive forces and making the people of various nationalities rich and happy as their own duty, further strengthen the sense of responsibility to history and the sense of urgency for the times under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the guidelines of the 14th Party Congress, unite with and guide the people of various nationalities across the region, emancipate the mind, keep forging ahead, work with one heart and soul, conduct pioneering work arduously, and fight to create a new situation in setting up the socialist market economic system and promoting sustained, rapid, and sound development of the economy.

Wu Liji said in his speech: "This is a policy-making session to comprehensively implement the guidelines of the third plenary session of the 14th party Central Committee, to set up new systems, and to create a new situation and set up a mobilization meeting to emancipate the mind, seek unity of thought, promote reform, accelerate the pace of development, and welcome the key year.

After analyzing the development situation ahead of the region, Wu Liji said: At present, our region is confronted with five favorable opportunities. First, the international environment has brought extremely good advantages to us in regards to further expanding the scale of opening up and accelerating the development pace. Second, the state cancels, in a step-by-step manner, the dual-pricing system and decontrols the prices of the majority of energy resources and raw materials. The region's long-term phenomena in which the value of raw materials deviates from their prices tend to have been alleviated. A large number of enterprises engaged in the production of the products of these kinds will create better economic results through market competition. Third, through the readjustment of the product mix and the reform of the old investment system, the central and western parts of the region have increased their input in the development of energy resources and raw materials. All this has

created a favorable environment for realizing the strategy of transforming natural resources. Fourth, along with the implementation of the tax distribution system, the state will gradually enhance its financial resources. This has created prerequisite conditions for increasing the input to the undeveloped areas through the implementation of the system wherein the central fiscal authority returns and transfers payments to local authorities. Fifth, through the efforts made over the past 40 years or so, our region has had good foundations in materials, technology, and development. Therefore, our region should abide by the following guiding ideology for economic development in 1994: Comprehensively implement the guidelines of the third plenary session of the 14th party Central Committee and the eighth (enlarged) plenary session of the fifth regional party committee, persist in the basic line of the party, expand the extent of reform, vigorously readjust the industrial structure and the product mix, and increase economic results. On the premise of continuously grasping the basic industries and the pillar industries, we should positively cultivate and develop new economic growth points and promote better and faster development of the national economy.

Wu Liji pointed out: According to this guiding ideology, the region has tentatively set 1994's major economic and social development targets as follows: We should guarantee a 10 percent increase of GNP and strive to increase 12 percent. The total agricultural output value should increase by 6 percent, the total industrial output value should increase by 14 percent, and the investment in fixed assets should reach 20.25 billion yuan. We should guarantee an increase of \$1.4 billion in total export and import trade volume and strive to create \$1.5 billion. We should strive to create 5.5 billion yuan in revenues. The index of retail sales of commodities should be controlled within 10 percent, the per capita income of the peasants and the herdsmen should increase by more than 100 yuan, and the population natural growth rate should be controlled within 13.5 per thousand.

Wu Liji said: Through full discussions, the delegates maintained that we must pay attention to and embody the following principles in order to realize the 1994 economic and social development targets: That development is an essential criterion should be persisted in. We should try every possible means to accelerate the pace of development. We should persistently take the increase in economic results as a key link, persist in the principle of taking the overall situation into consideration and ensuring key projects, adhere to the "three-conductive" standards, and persist in the idea of self-reliance and arduous struggle.

Focusing on the general target of setting up the socialist market economic system and comprehensively promoting the progress of reform according to the arrangements of the central authorities and in line with the provincial actual conditions is the important subject discussed at this session. Wu Liji pointed out: The 1994 reform priorities are as follows: In regard to the reform

of the financial and tax system, we should carry out the tax assignment system on the basis of a rational division of power between central and local authorities. In regard to the reform of the banking system, we should separate policy-lending banking from commercial banking. In regard to the reform of the investment system, we should gradually establish risk liabilities for corporate investment and bank credits. In regard to the reform of the export trade system, we should cancel the mandatory planning of the foreign trade enterprises and further decontrol, in a well-planned manner, the import and export commodity managerial rights. The prices of the majority of production factors should be decontrolled in a step-by-step manner; and the grain and cotton purchasing prices should rise. Enterprises should set up a modern enterprise system characterized by clearly defined property rights, rights, and responsibility, separating the government administration from enterprise management; and scientific management. In regard to the reform of the social guaranteeing system, we should perfect the system of providing for the aged staff and workers and the system of medical insurance for staff and workers. In regard to the reform of the urban housing system, we should focus on marketing public houses; pay equal attention to sales, rent, and construction; and accelerate the commercialization and socialization of houses.

According to the guidelines of Comrade Wang Qun's report and the discussion situation of session, Wu Liji stressed the necessity to attend to the 1994 work. First, we should focus on changing the enterprise mechanisms and win the general war of reform. Due to the fact that the focal and difficult point of the 1994 economic structural reform is to blaze a new trails in the enterprise system, we must adopt major measures, go into mass action, and strive to make a big breakthrough in this regard. At the time of grasping the enterprise reform, we should continue to regard the increase in the industrial production as the focal point of the region's economic work and positively readjust the industrial structure and the product mix according to the market demands.

Second, we should vigorously develop the economy of the rural and pastoral areas and strive to increase the income of the peasants and the herdsmen. The focus of the work of agriculture, animal husbandry, the rural and pastoral areas, and the peasants and the herdsmen is to increase the income of the peasants and the herdsmen. According to the requirements of the two-stage fighting targets, the per capita net income of the peasants and the herdsmen must increase by more than 200 yuan in the next two years. The party committees and governments at various levels should continue to persist in the idea that agriculture and animal husbandry are the foundation of the national economy, put agriculture and animal husbandry in the primary position of the economic work, stabilize the party's basic policies toward the rural and pastoral areas, deepen the rural and pastoral areas, and promote the overall development of the rural and pastoral economy. All leagues, cities, banners, and counties

should focus the work toward banners and counties on grasping town and township enterprises and ensure that town and township enterprises really play a key role in developing the banner and county economy.

He also urged to conscientiously attend to the financial and tax reform, realistically improve and strengthen the financial and tax work, further expand the scale of opening to the outside world and developing the lateral economic cooperation, conscientiously implement the strategy of relying on science and technology to rejuvenate Shandong, realistically grasp various social undertakings, and conscientiously arrange the people's livelihood.

Wu Liji concluded: The reform and development tasks in the next year and in the foreseeable future are extremely arduous. The party and government leaders at various levels across the region should hold themselves responsible to the party and the people; further strengthen and improve the leadership over reform, opening up, and economic construction; greatly change and improve their ideas, work style, and work methods; and regard the year of 1994 as one to emancipate the mind, change work style, and implement tasks.

Reports on Activities of Inner Mongolia Secretary

Addresses Party Committee

SK3001063694 Hohhot NEIMENGGU RIBAO in Chinese 12 Jan 94 p 1

[By reporter Wang Rantong (3769 3544 17490): "Clearly Understand the Situation, Strengthen Unity, Work Hard, Overcome Difficulties, Accelerate Legislation, and Promote Reform"]

[Text] Wang Qun, secretary of the regional party committee and chairman of the regional people's congress standing committee, held talks with members of the regional people's congress standing committee at the Fifth Session of the Eighth Regional People's Congress standing committee held recently. He emphatically pointed out: In implementing the guidelines of the Third Plenary Session of the 14th Party Central Committee and of the Eighth Enlarged Plenary Session of the Fifth Regional Party Committee, it is necessary to clearly understand the situation, strengthen unity, engage in arduous struggle, overcome difficulties, strengthen the building of socialist democracy and the legal system, and promote the establishment of the socialist market economic structure.

At the forums held on the evening of 7 January and on the afternoon of 9 January, Liu Zhenyi, Zhang Yingqi, Liu Zhen, Yang Xilin, Jia Cai, Yu Xinglong, Wang Tianen, Yi Junhua, Wang Xiumei, Liu Xiaowang, Wuerjilang, Liu Zuohui, Yun Gui, Feng Yuqiang, and Zhou Guangde and other comrades gave speeches one after another on the current situation, the hot topics of the people's concern, economic construction, and the building of democracy and the legal system.

At the forums, Comrade Wang Qun frequently chipped in and gave speeches.

Wang Qun said: Comrades have offered many very constructive suggestions. You have done a lot of investigation and research work, have the practical situation well in hand, and reflected the opinions and demands of the masses.

Wang Qun pointed out: The situation in our region is currently excellent. This is the common understanding of all. However, there are still many difficulties and problems that merit the great attention of the regional party committee, the regional people's congress standing committee, and the regional government. Regarding the existing problems, the most crucial issue involved is to treat them correctly and solve them properly. For example, the problem on the gap between the development rate of our region and that of the developed areas must be solved with the common efforts of the higher and the lower levels of the whole region. Our Inner Mongolia has a great momentum for development, and our development pace will not be slow in the days to come. First, we have a definite foundation and a clearly-defined correct development strategy; second, the state's input in Inner Mongolia is very big; and third, the state has adopted special policies in the border minority areas. We should have full confidence in narrowing the gap between our region and the developed areas.

Wang Qun stressed: Leaders at all levels should pay great attention to the pricing issue, control the prices realistically, and strengthen management.

Wang Qun stressed: We should resolutely and continuously grasp the anticorruption struggle because this is a major affair which may help us win the trust from the masses. It is necessary to estimate problems on corruption in a fact-seeking manner. While recognizing the basic fact that the main aspect of our party is good, most of the party members and cadres are clean and honest in performing official duties, and the corrupt elements inside the party only account for a small number, we should also fully understand the seriousness and harmfulness of the corrupt phenomenon inside the party, realistically regard this struggle as a strategic task, and grasp it unswervingly until good results are achieved.

Wang Qun pointed out: We should recognize that the current temporary difficulties are problems which we have met on our road of advance in the course of reform, and that they can be solved. All of you should correctly approach these problems, and distinguish between the major and minor aspects and the essence. We should solve these problems with the ideology of serving the people wholeheartedly and on our own initiative in an effort to promote reform, development, and stability.

Wang Qun pointed out: We should give full play to the role of the people's congress standing committees in the course of the four modernization drives. In accordance with the decision of the chairmanship meeting of the regional people's congress standing committee, we will

organize deputies of the National People's Congress in our region and some regional people's congress deputies to inspect leagues and cities in the near future. We will solve the practical problems concerning the people's production and living in the course of implementing the guidelines of the third plenary session of the 14th party Central Committee.

Wang Qun called on leaders at all levels, all trades and professions, and all sectors to act in line with the guidelines of the Third Plenary Session of the 14th Party Central Committee and of the Eighth Enlarged Plenary Session of the Fifth Regional Party Committee, pay attention to the situation and unity, boost enthusiasm, overcome difficulties, accelerate reform, and develop the economy.

Wang Qun called on the people's congress standing committees to act in line with the objective of building the socialist market economic structure, coordinately carry out our legislative policies and reform policies, accelerate the pace of legislation, enhance the legislative and law enforcement level, and promote the establishment of the socialist market economic structure. It is necessary to conscientiously and repeatedly study Volume 3 of the *Selected Works of Deng Xiaoping*, arm our minds and guide our work with the theory on building socialism with Chinese characteristics, emancipate the mind, and seek truth from facts. We should also give less empty talks, do more practical work, actively support and supervise the "government, the higher people's court and the people's procuratorate" to successfully carry out their work, give full play to the role of the people's congress standing committees as the organs of state power in the localities, and enable the people congress system to play a greater role in the course of building the two civilizations.

Speaks to Educators 8 Jan

SK0102075094 Hohhot NEIMENGGU RIBAO in Chinese 9 Jan 94 p 1

[By reporter Mu Yajun (4476 0068 6511) and Correspondent Zhong He (6988 7729): "Clearly Understand the Situation, Reinforce Confidence, Severely Punish the Corrupt, and Blaze New Trails"]

[Text] In his important speech made on the afternoon of 8 January at the meeting of teachers and students of institutions of higher learning in Hohhot, Wang Qun, secretary of the regional party committee, stressed the need to correctly understand the current situation and the development prospects of the region, further strengthen lofty faith in building socialism with Chinese characteristics, launching the anticorruption campaign in a penetrating and sustained manner, continuously deepening the reform of educational structure, and mobilizing people of all nationalities in the region to enhance morale, pioneer the road of advance, and struggle to build a united, prosperous, and civilized Inner Mongolia.

Wang Zhan, deputy secretary of the regional party committee, presided over the meeting. Qian Fenyong, Wuyunqimuge, and Zhao Zhihong attended the meeting. Over 1,300 persons from 13 institutions of higher learning in Hohhot participated.

Wang Qun pointed out: The 15 years since the commencement of reform and opening up is a period characterized by large-scale reform and large-scale development and is a period in which the economy and society has developed most rapidly and the masses of all nationalities in urban and rural areas have obtained most practical benefits in comparison to any other period in the region's history. Major indicators are: The region's national economy has embarked on a completely new period of development; overall economic strength has been enhanced obviously; agriculture and animal husbandry has continued to develop rapidly; overall production capacity has embarked on a new stage; industrial production has increased in a steady and sustained manner; the non-state-owned economy, and township and town enterprises in particular, has witnessed high-speed growth trends; the scale of opening to the outside world has been expanding; the export-oriented economy has witnessed breakthroughs; education, science, technology, and public health undertakings have developed vigorously; income of urban and rural residents has doubled and redoubled; people's living standards have improved clearly; various difficulties and problems occurring in the process of reform and development have gradually been solved; and the overall index of social and economic development ranks 15th in the country. The increased speed in the fixed assets investment, the fact that some newly built coal, power, and chemical industrial projects will soon be put into production, the renovation through "grafting" of state-owned enterprises, and the overall development of township and town enterprises as well as the non-publicly owned economy will certainly play a positive and promoting role in accelerating the region's economic development. So long as the people of all nationalities in the region firmly seize the opportunity provided by the opening up of the border areas and by the westward shifting of the state economic development strategy, and so long as we aim at the goal of building a socialist market economic system and work hard with one heart and one mind, the advantages in our region's natural resources, geological relations, and policies will be brought into full play, our economy will develop even more rapidly, and the gaps between our region and the developed areas will be narrowed gradually. Comrade Wang Qun also made specific analysis and explanations of the issue of the gaps between the region and other places and the issue of financial and tax reform, unpaid wages in some areas, and pricing reform. He also set forth some measures and demands for solving these problems.

On ways to strengthen confidence in socialism, Wang Qun pointed out: In contemporary China, only Deng Xiaoping's theory of building socialism with Chinese characteristics can solve problems related to the future

and destiny of socialism. We should profoundly study Volume 3 of the *Selected Works of Deng Xiaoping*, persist in the party's basic line of "one central task and two basic points" without wavering for 100 years, and further strengthen the lofty faith in building socialism with Chinese characteristics. All comrades, particularly the young generation that strides from this century to the next, should make due contribution to the socialist modernization drive that has a bearing on the future and destiny of China.

Wang Qun said: Anticorruption is a hot social issue on which the masses have expressed strong comments. Whether we can firmly and unswervingly persist in and achieve obvious results in the anticorruption campaign is not only a question with which the masses are much concerned and worried but also a major event that has a bearing on the success or failure in reform and on the destiny of the country. We should realistically appraise the corruption in the party's present situation. We should not only see the basic fact that the main trend of our party is good, most party members and cadres are honest and clean in performing official duties, and corrupt elements within the party comprise only a very small part. We should also fully understand the importance and harmfulness of the corrupt phenomenon within the party and actually carry out the struggle against corruption in a resolute and unrelenting way by regarding it as a strategic task. Before the Spring Festival, we should accelerate the pace of handling cases and make public a number of appalling and major cases to inspire the people and to warn others against following bad examples, on the basis of extensively launching the education on opposing corruption and advocating administrative honesty and consolidating and developing the results achieved at the present stage. At the same time, we should guard against the plot hatched by hostile forces at home and abroad, of intentionally defaming communist party and socialism.

Wang Qun pointed out: Education is of fundamental importance to the fulfillment of our great long-range mission. Party committees and governments at all levels should list education as a strategic emphasis of economic and social development and give rise to a fine situation in which the whole party pays attention to education and the whole society runs education. Under the current situation characterized by financial shortage, we should actually ensure the development of education on a priority basis and truly do good things and run tangible things for developing educational undertakings. We should exert great efforts in tackling difficulties and problems that emerge in developing education and make great efforts to improve and enhance teachers' working conditions and remunerations to stabilize the ranks of teachers. We should constantly deepen the educational structure reform, boldly explore new ways to run education well, vigorously train the skilled persons urgently needed by the four modernizations, and give full play to their positive role in carrying out reform, opening up,

and economic construction in order to make new and even greater contributions to invigorating and developing the region.

Northeast Region

Heilongjiang Secretary Comments on Rural Work
SK1201090394 Harbin HEILONGJIANG RIBAO in Chinese 6 Dec 93 pp 1, 3

[Speech by Sun Weiben, secretary of the provincial party committee, at the rural work conference held by the provincial party committee on 4 December, entitled: "Strengthen the Agricultural Foundation Status and Accelerate the Pace of Rural Reform and Development"]

[Text] The central rural work conference held not long ago and the third plenary session of the 14th CPC Central Committee are of great significance in mobilizing the whole party to unswervingly pay attention to agriculture, peasants and rural work, strengthening the agricultural foundation status, and accelerating the pace of rural reform and development. The major tasks of this rural work conference held by the provincial party committee are to further implement the guidelines of the central rural work conference and the third plenary session of the 14th CPC Central Committee, analyze the agricultural and rural situation under the socialist market economic conditions, study and devise plans for strengthening the agricultural foundation status, deepen rural reform and comprehensively develop the rural economic work tasks during the last two years of the Eighth Five-Year Plan, and push the rural economy to a new stage.

1. Correctly Analyze the Agricultural and Rural Situation and Realistically Strengthen the Agricultural Foundation Status

Since the third plenary session of the 11th CPC Central Committee, our province has witnessed tremendous and profound changes in agriculture and in the rural areas and achieved historical progress in the rural economy. The total value of agricultural production has shown an annual average increase of 11.4 percent, agricultural labor productivity has shown an annual average increase of 14.7 percent, and the average per capita net income of peasants has shown an annual increase of 8.3 percent and the food and clothing problems in the rural areas have been basically solved. The eighth plenary session of the sixth provincial party committee held in 1991 comprehensively summarized the agricultural and rural work during the 13 years of reform and opening up, raised the proposal of regarding the goal of becoming well-off as the banner to guide rural work in line with the characteristics that the rural economy has entered the stage of commodity production, and defined the guiding ideology of "readjusting the structure, raising efficiency, relying on science and education and invigorating agriculture." After the eighth plenary session of the sixth

provincial party committee, the party committees and governments at all levels adopted a series of important measures to strengthen the agricultural foundation status and to accelerate the development of the rural economy. We should conscientiously implement the party's various rural principles and policies; stabilize and improve the family-based output-related contract responsibility system; establish the main market operational status of peasants, township enterprises and all sorts of rural economic organizations; strictly clear up the burdens of peasants; set ceiling prices for the means of production for agricultural use; exert efforts to solve the problem of issuing IOU's for purchases of agricultural products; protect and mobilize the production enthusiasm of peasants; formulate and implement the strategic plans of coordinating grain and livestock production with township enterprises, foreign trade with industry and agriculture, agriculture with science and education, and urban areas with rural areas; flexibly readjust the rural economic structure of production set-up and comprehensively develop the county economy; gradually decontrol the prices of grains and agricultural products; strive to organize agricultural production in line with market guidance; cultivate and build a market system for agricultural products; place township enterprises in a strategic position of the rural economy; promote the shareholding cooperative system; establish small industrial areas, link the urban areas with the rural areas; give priority to solving the difficult problems of funds, items, and personnel and promote a sustained and speedy increase of township enterprises; uphold the strategy of using science and education to invigorate agriculture; make overall plans to combine agriculture with science and education; carry out comprehensive agricultural development and enable agriculture to move toward the orientation of high-yield, high quality, and highly-efficient farming; give great emphasis to some policies and investments; support rich counties to accelerate development, and support poor counties to shake off poverty and become rich; give play to the advantage of border development; establish farm products export, production, and processing bases and actively develop export-oriented farming; expand the degree of changing the operational mechanism of industrial and commercial enterprises; transform county-run industrial units into state-owned people-run units or people-owned and people-run units and enhance the vitality of county economy; consolidate and improve the rural party branches, perfect village supporting organizations, conduct activities on running townships in line with the law; conduct ideological education focusing on enhancing the sense of commodity and strengthening the confidence in becoming well-off and strengthen the building of spiritual civilization in the rural areas and of the party's grass-roots organizations; strengthen the functions of counties to take overall responsibility over local economic work; change from simply grasping agriculture into comprehensively developing all rural industries and from paying attention to financial revenue into cultivating financial resources and enable all kinds of economic sectors and all industries in counties to compete

with one another during development; adopt the work method of using typical cases to lead the way, giving different guidance according to the merits of different cases and carrying out the work in the whole region; and give specific work guidance according to the characteristics of different economic ownerships and regional development and raise the overall level of rural work.

We can say that in the past two years, the province has had a clear idea about rural development, effectively organized and guided agricultural and rural work, made the biggest strides for rural reform, and made the fastest economic development. In 1993, the province turned out 23.91 billion kilograms of grain, setting a historical record. The total grain output increased, the grain structure was improved, the grain quality was upgraded, and the efficiency from grain output increased. The diversified economy dominated by animal husbandry was comprehensively developed. The diversified economic output value accounted for more than 30 percent of the total agricultural output value. Town and township enterprises developed at a rapid speed. In the first 10 months of this year, the town and township enterprises' output value, profits, and tax revenues respectively increased by 68.1 percent, 71.3 percent, and 75.2 percent. The town and township enterprises have become a half of the rural economy. Great headway was made in export-oriented agriculture. The proportion of farm and sideline products in the foreign export trade volume was close to 30 percent. Each of the five major farm products created more than \$10 million foreign exchange from exports. The per capita net income of the peasants reached about 1,000 yuan. The increase rate of the per capita net income of the peasants was higher than the national average level for two consecutive years. The total output value of the rural society increased by double digits. The county economy made more contributions to the province. More than 70 percent of the newly added portions of the total output value of society were created by the county economy. Generally speaking, the agricultural and rural situation continued to develop along with a good orientation.

Although the province has made great headway in agriculture and rural work and the agricultural and rural work has tended to develop in a sustained, fast, and healthy manner, many new conditions and problems emerged in the course of system reform. We are still confronted with many contradictions that should urgently be solved in the course of realizing the fairly well-off target. The main contradictions are as follows: Our province has relatively abundant natural resources, but the degree of overall development is not high. Our province is a key grain production area as well as a large agricultural province. The output of major farm and sideline products ranks the province among the first 10 in the whole country. The deep development and the overall utilization of the farm and sideline products cannot keep pace with the increase in the total output. The province is still in the stage of producing raw materials and preliminarily processing major products.

As a result, the rural economic results are reduced by a big margin. The commodity rate of the farm and sideline products continue to increase when the development and setup of markets are relatively slow. More than 60 percent of the province's farm and sideline products are marketable. Due to the failure to develop and set up markets and effectively coordinate production and management with domestic and foreign markets and affected by the fact that the supply and demand of ordinary farm and sideline products are even at home, the phenomena that the circulation of farm and sideline products is blocked still prominent exist. Thus, it is difficult to make the rural economic operation suit the demands for socialized production and unified markets. Due to the failure to effectively guide and organize the rural decentralized management, agricultural production and management are neither keen to the reaction of markets nor closely related to the market demands. As a result, it is difficult to have some products become readily marketable, to make some natural resources gain economic advantages, and to create large-scale economic results from the rural economy. Due to the slow development of nonagriculture, a large number of agricultural laborers have become unemployed. Affected by the traditional agricultural forms and restricted by production conditions, we made a late start in developing such nonagricultural industries as rural circulation trade, labor service trade, and town and township enterprises. As a result, increasingly more surplus labor forces due to the decrease in the per capita are transferred to other jobs at a slow speed. With a weak sense of the commodity economy, the nonagricultural industries lack motivation for development. With dual risks, the agricultural front lacks appropriate support and protection measures. Due to the insufficient input to agriculture, the weak infrastructural facilities, the high agricultural social benefit, and the low comparable effect, we are confronted with increasingly more risks in resisting natural disasters and developing markets. The mechanisms for supporting and protecting agriculture have not yet taken shape. So, the price difference between industrial and agricultural products become widened, the per capita income of the peasants increase at a slow speed, the rural economy is short of reserve strength for development, and the tasks for improving agricultural production conditions become heavier. These contradictions and problems indicate that if we fail to consider agriculture and rural work from a high level, to emphatically enhance the basic position of agriculture, and to optimize the structure of rural industries, it will be impossible for the rural economy to have a sustained and rapid growth. If we fail to unswervingly orient the rural economy onto the track of the market economy and to organize agricultural production and management truly according to the law of the market economy, it will be impossible for the rural economy to maintain its protracted vigor. These contradictions and problems, which in some cases have cropped up or developed in the course of shifting systems, must be dealt with by relying on deepening the

reform. Those that have been caused by underdeveloped productive forces require us to fully regard development as a mandatory principle.

Agriculture is the foundation of the national economy. Improving agriculture to a new level represents a foundation for fulfilling the second and third strategic targets, and increasing per peasant income represents a foundation for the society as a whole to reach the better-off level. The CPC Central Committee and the State Council have always attached great importance on agriculture and on problems encountered by rural areas and peasants. After the rural reform program was personally led and organized by Comrade Deng Xiaoping—which has a historical significance—he presented a series of brilliant expositions on rural reform and development and pointed out that the basic position of agriculture in the national economy will never be changed; that rural stability can decide the stability of the country as a whole; and that rural reform can affect and promote urban reforms. He also pointed out that agriculture is not only an important economic issue, but also an important political one; in developing the rural economy, we should rely first on the policies, second on science and technology, and third on inputs; and that it is imperative to enhance the party's leadership over agriculture and the rural work. In line with the persistent thinking of Comrade Deng Xiaoping, the third-generation central leading collective with Comrade Jiang Zemin at the core has enhanced the agricultural position; developed the rural economy; and protected peasants' interests over the past four years by adopting many important and major measures. Heilongjiang is a large province that is endowed with agricultural resources and its rural economy and county economy occupy an important position in the province's economic pattern. It has more new economic growing points than other provinces, which represents the part that has large potential and vigor in affecting the economic development throughout the province. Only by boosting the rural economy can we promote the province's economy to achieve faster and better development. The rural economy is encountering an opportunity in which its development can be quickened. Along with implementing the spirit of the central rural work conference and the spirit of the Third Plenary Session of the 14th CPC Central Committee, the understanding of units from top to bottom across the province regarding the enhancement of the basic position of agriculture will become more clear and definite; their confidence in successfully conducting agriculture and rural work will be further enhanced; and agriculture, peasants, and rural work will be emphasized. The central and provincial authorities have adopted a series of important measures and every possible way and means to develop the rural economy and to increase peasants' income. All of this will further bring into play the enthusiasm of the broad masses of peasants, enable agricultural production to exert more potential, have the province's rural commodity economy achieve greater

development, enable the economic and industrial structures to become rational, obviously upgrade the comprehensive productive capability, and have the province basically possess the material foundation for achieving sustained and fast development. We must seize the currently favorable opportunity. In line with the demands of the CPC Central Committee and the State Council, we should deeply understand and implement the important expositions of Comrade Deng Xiaoping with regard to agriculture and rural work; overcome the blind optimism on the consecutive bumper harvests; prevent the trend of neglecting agriculture; and realistically enhance the agricultural production and the rural work. We should also do a good job in organizing the rural reform of 1994 and the enforcement of tasks for developing agriculture and strive to enable the rural economy to be improved to a new level during the "Eight Five-Year Plan" period and to have the rural outlook be improved. This requires us to resolutely and unswervingly implement the principle of regarding agriculture as a foundation, to unswervingly place agriculture on the first position of economic work, to continuously hold high the banner of becoming better-off, to accelerate the establishment of economic operation mechanism that is suitable to the demands of the socialist market economy, to quicken the development of rural productive forces and the county economy, and to enable rural areas and peasants to become wealthy as soon as possible.

2. Deepen the Rural Economic Restructuring and Turn Rural Economy to the Socialist Market Economy Before Others

The central rural work conference and the third plenary session of the 14th CPC Central Committee have already defined the objectives and general ideas for the rural reform. In line with the demands of the central authorities, we must accelerate the pace of rural reform, with focus on stabilizing the rural management system, cultivating the mainstay of market, improving market system, and strengthening macroeconomic regulation and control. At the same time, we must rapidly establish a rural economic managerial system and operational mechanism that are suitable for the socialist market economy.

A. We should stabilize and perfect the rural managerial system, energetically develop the shareholding cooperative economy, and cultivate and expand the mainstay of market. The household-based output-related contract responsibility system and the dual management system that integrates household operation with collective operation are the basic policy of the party in the countryside as well as the basic economic system in the countryside, and thus they must be carried out protractedly. The originally defined land contract relations in various localities should be stabilized and extended for another 30 years without changes. The period of contracts of a development nature, such as reclaiming barren land, building forest land, preventing the land from becoming sandy, and improving the fertility of soil, should be extended for another 50 years. Within the contracted

period, we should carry out the method of "increasing persons but not land and reducing persons but not land." In conducting the appropriate-scale management of land, we should establish a land turnover mechanism compatible with the demands of market economy on the prerequisite of developing non-agricultural industries accordingly and promoting reasonable flow of rural labor forces. This requires us to consolidate ownership, stabilize contract right, enliven the right to use, and allow peasants to transfer on a paid basis, to lease, and to mortgage the land use right and to buy shares in order to enable peasants to independently solve the contradictions between different persons in line with the changes in management conditions and in accordance with the law of market and in order to raise the distribution efficiency of land resources. The non-agricultural industries develop more rapidly than others. The localities, that have conditions in various fields, may carry out the appropriate-scale management in line with the wills of peasants by proceeding from reality, but should not force all the peasants to join the management. We should strive to enhance the economic strength of the village-level collectives and strengthen the overall planning and service functions of the village-level collectives. The shareholding cooperative system is a new invented system to adapt peasants to market mechanism and to accelerate the development of rural economy, and is another major reform in the rural management system. This year, the development trend of the shareholding cooperative system in the province's rural areas has been very good. We must utilize this good trend to spread this system by regarding it as a major measure to accelerate the reform and development of the rural areas. At present, we should mainly spread this system among town and township enterprises. The newly initiated town and township enterprises should all adopt, in principle, this system. At the same time, we should use this system to renovate existing town and township enterprises to change the confusion in property right and the lack of funds. We should use about two years of time to change more than half of village collective enterprises to shareholding cooperative enterprises. We should also extend the shareholding cooperative system to the spheres of the serial development of the cropping industry, the circulation of agricultural and sideline products, and the rural collectivized service. All kinds of economic organizations, institutions of higher learning, scientific research institutes, and peasants should be allowed to buy shares with funds, equipment, plant houses, technology, land, and labor forces. In spreading the shareholding cooperative system, we must give guidances based on respective cases. The areas which have not yet introduced the shareholding cooperative system should try the system first and then popularize it as quickly as possible. The areas which are experimenting with this system should primarily reduce the restrictions on policies and allow peasants to carry it out freely. The areas which have achieved relatively great progress in carrying out the system should be guided in a timely manner to deepen

towards the orientation of standardization and systemization with the purpose of gradually making their distribution of shares reasonable, their organizational structure perfect, their management system perfect, and their profit distribution appropriate.

B. We should accelerate the establishment of socialized service system and gradually realize all-process socialized service to production, operation, distribution, and consumption. Since the household-based contract system was instituted, socialized service networks composed of rural collective economic organizations, agriculture-related departments, and various intermediate organizations have been improved step by step and have made great contributions to rural economic development. However, the service functions and service scope of these service organizations still fall far short of the demand for developing rural productive forces. The service entities run by peasants are not well organized, and village-level service are universally uncoordinated. The quality of service provided by county and township agricultural departments has weakened, the service of agriculture-related departments is at a low level, and the degree of socialization of the entire service system is not high. To solve the above-mentioned problems and make independent operations more compatible with the unified market, we should regard establishment of the socialized service system as an industry to develop. Agriculture, science and technology, commerce, grain, supply and marketing, finance, and material departments should adhere to the purpose of serving agriculture and peasants, actively explore the fields of service, strengthen their service functions, coordinate their services, and establish a sound service network by combining the supplies of funds and means of production, the dissemination of technology, and technical training before production, the technical and operational guidance during production, and the processing, storage, transportation, and marketing after production. We should give play to the role of rural production and managerial experts, encourage and support them to operate or establish service organizations or service entities, and gradually turn the service organizations run by peasants into specialized associations performing the functions of self-service and self-protection. We should improve community service organizations, provide particular assistance for the townships and villages with weak collective economy to establish service organizations, and guide them to gradually enhance their service strength and improve their service level by starting with technical service and expanding their collective economy. We should step up efforts to improve county and township agriculture stations (centers), update their technology and equipment in a planned manner, strive to increase the wages of agricultural scientific and technical personnel, provide grass-roots agriculture-related units with necessary means of service, enable their technical personnel to have ease of mind in their service work, and continuously improve their service quality. After this, we should establish a provincewide socialized service pattern with sound organizations and functions.

C. We should lift control on and protect the prices of farm products and cultivate and establish the market system more rapidly in order to provide favorable conditions for developing the rural commodity economy. The key to cultivating and building rural markets is to let the prices of farm products take shape chiefly through the market. To establish a new mechanism for the prices of farm products, enliven rural circulation, and increase peasants' income, the province, beginning next year, will keep the amount of grain to be purchased under contract unchanged and purchase all the contracted amount of grain at market price. When the market is lower than the state-fixed protection price, we will purchase at the protection price. We will continue the method of paying extra money for peasants to cover the difference between the government prices and the market prices of chemical fertilizers and diesel oil supplied to peasants according to their purchasing contracts and supply them with chemical fertilizers, diesel oil, and deposits linked to the contracted purchase in a timely manner. We should do a good job in the coordination and preparations for the reform of the grain purchasing and marketing system, regard it the priority of next year's work to improve the grain markets and the marketing contingents, establish the grain risk fund system as soon as possible, and improve the grain reserve system. The prices of all farm and sideline products will be lifted in the future, business channels will be liberalized, and all obstacles will be removed so as to provide equal opportunities and environment to various business organizations and peasants. Establishment of the market system is the basis of the market economy. We should develop, cultivate, and build markets more rapidly. With wholesale markets as the center and rural fairs as the supplement, We should establish as soon as possible a framework of the market system under which the markets for commodities and the markets for essential elements of production are developed in a coordinated manner, rural areas are linked with urban areas, and markets are rationally distributed, have sound organizations and complete functions, exercise standard management, and are highly efficient and unimpeded. The provincial authorities should give priority to building the agricultural product wholesale markets and the futures markets to serve the whole country; all cities and towns should give priority to building agricultural product special wholesale markets with local superiority; and all townships and towns should give priority to building country trade fairs. We should actively cultivate the markets of essential production factors, such as the markets of banking, property right, technology, information, and labor forces. In cultivating and building markets, we must manage things in line with market law, give full consideration to conditions for the flow of commodities and personnel and for collection and distribution of commodities, extensively conduct activities to invite business, and persist in making scientific plans and seeking gradual development. We should strengthen the building of infrastructure facilities, including telecommunications, road and warehouses, develop banking, insurance, notary, commercial, catering, and service industries and give priority

to improving the conditions of special wholesale markets which have attained an initial scale. We should improve the laws and regulations for market transactions, business activities and market competition, establish arbitration organs to settle disputes in transaction and in honoring of contracts, set norms to keep the market business within proper bounds, and protect fair transactions and legal competitions. Meanwhile, we should be determined to cultivate and develop a batch of contingents to sell farm products and major products of township enterprises, give priority to supporting major commodity circulation units, develop intermediary organs, continue to give play to the role of state and cooperative commercial units as the main circulation channels, do a good job in linking production with the market, and invigorate commodity circulation in the rural areas.

D. We should strengthen and improve macroeconomic regulation and control of the rural economy and promote a sound rural economic development. It is impossible for the market mechanism to spontaneously strengthen the agricultural foundation status. In the process of establishing the socialist market economic system, we must strive to strengthen and improve the government's macroeconomic regulation and control over agriculture. Governments at all levels should stand on the high plane of taking overall responsibility, act in line with their functions of "guidance, support, protection and macro regulation and control," follow the law of value, apply the economic levers, and give correct and effective control over rural economic performance. We should grasp the trend of agricultural development and market changes, make rational plans and readjust the distribution of rural productive forces and promote an coordinated development in various trades and regions and between the economic and social sectors. We should regard such major affairs as the readjustment of the proportion of industrial and agricultural investments, the agricultural investment structure, major agricultural capital construction projects, the price parities between industrial and agricultural products, the readjustment of rural production set-up, and the development of industry to support agriculture that affect the overall situation as the priorities of regulation and control and adopt more economic and legal means to manage agricultural production. We should strengthen rural economic legislation, gradually improve regulations and laws on supporting agricultural development, protecting agriculture and safeguarding the interests of peasants, deeply carry out the work on running villages and townships in line with law, and raise the degree of standardization of rural economic performance and the level of legality. We should strengthen the building of rural market information system, develop information research and consulting organs of various ownerships in a planned manner, do a good job in market forecast for agricultural products and information dissemination and induce peasants to develop agricultural production in line with market changes. Continued efforts should be made to promote comprehensive reform pilot work in counties and urge pilot counties to further emancipate

the minds, expand the reform strength, take the lead in establishing market economic operational mechanism and set examples in county reform for the whole province.

3. Hold Aloft the Banner of Becoming Well-Off, Accelerate the Development of County Economy and Strive To Build a Prosperous and Civilized New Countryside

In a final analysis, the issues of agriculture, the rural areas and peasants are the issues of development. Realizing the goal of becoming well-off is a common desire and new pursuit of the broad masses of peasants after they have enough food and clothing as well as the fundamental motivation for accelerating the development of agriculture and the rural economy. The core of development is to unceasingly increase the income of peasants. This is a major change in the idea of rural development. Party committees and governments at all levels should consider accelerating the development of rural productive forces and county economy and unceasingly increasing the income of peasants as the fundamental starting and resting points of rural work.

A. We should vigorously develop high-yield, good-quality, high-efficient, and export-oriented agriculture in line with the demands of domestic and foreign markets to increase the rural economic results. Over the past years, particularly this year, under the guidance of markets, all localities have positively developed and produced various good-quality farm and sideline products that are suitable to the consumption demands and have made noticeable achievements in increasing production and economic results. Facts fully showed that the development of high-yield, good-quality, high-efficient, and export-oriented agriculture is an essential demand of the tendency for suiting the market demands and the changes of the foodstuff structure, ensuring a stable increase in the output of basic farm products, and comprehensively improving the agricultural production level as well as an accurate choice to optimize the internal agricultural structure and increase the rural economic results. So, we are required to shift the focus of agricultural production from the increase in quantities to the improvement of quality and to increase agriculture's economic results through readjustment of the agricultural structure. On the basis of stabilizing development and optimizing grain production, we should vigorously develop readily marketable cash crops and forage crops and ceaselessly increase the benefits from grain production and the overall utilization rate of natural resources. We should persist in the target of building animal husbandry into a pillar industry of the rural economy; focus on developing the breeding of milk cow, meat cattle, lean hogs, and poultry; promote the coordination of agriculture and animal husbandry to increase the output value through transformation; and strive to make our province become a large grain and livestock production province. We should fully use mountain, water, forest, grass, and mineral resources and bring into play the advantages of suburban areas, the areas along both

sides of roads, and gardens to develop the cash crops and breeding industries that have big markets, to develop new production spheres, and to expand new revenue sources. Our province has the advantages of opening its border areas to the outside world. This is a favorable condition for developing the export-oriented agriculture. According to the international market demands, we should set up, in a well-planned manner, a group of export farm product production and processing bases; expand the production of readily marketable products; ceaselessly improve the quality and standing of commodities; strive to increase the proportion of export farm products; and increase the market competitiveness.

B. We should persistently pay equal attention to development and improvement, vigorously develop town and township enterprises, and accelerate the pace of industrializing the countryside. Our province has rich natural resources, registers a faster increase in the total output of farm products, and has favorable conditions for developing town and township enterprises. However, the farm product processing and utilization rate is rather low. This indicates that the town and township enterprises have great potential for development. Although our province has speeded up the development of town and township enterprises, their results are not high, only a small number of town and township enterprises are engaged in industrial production, their product standing is low, and their market competitiveness is weak. The strains on capital, projects, and skilled persons still restrict the development of town and township enterprises. We must unswervingly regard the development of town and township enterprises as a strategic priority of the economic work; persist in the principle of paying equal attention to development and improvement; vigorously carry out the "leap-over project;" strive to ensure that the town and township enterprises realize more than 70 billion yuan of output value by the end of 1995; and improve, at the same pace, output value, results, and enterprise quality. To this end, we must persistently coordinate the setup of high-tech and export-oriented town and township enterprises with large markets with that of town and township enterprises with fewer investment and faster economic results so as to support the development of town and township enterprises. We should strengthen the construction of projects for town and township enterprises; cultivate a group of specialized ranks engaged in the development of projects; and develop high-tech processing projects with high market demands, fewer investment, and faster efficiency so as to provide timely service for town and township enterprises. All localities should be geared to the needs of markets, continue to bring into play the advantages of natural resources, and try every possible means to build a group of projects with fewer investment and faster economic results. Being based on this, the province, prefectures, cities, and counties should concentrate necessary funds and technological forces to establish and develop a group of large-scale town and township enterprises with high starting points and to

strengthen the lineup of key town and township enterprises. We should develop small industrial zones of town and township enterprises and increase their economic results. In township enterprise investment, we should particularly ensure the construction of small industrial zones, and concentrate fairly high starting points for new township enterprises there. In small industrial zones with favorable conditions, we should establish township enterprise groups that have advantages in their scale, in a timely manner. We should also greatly increase the proportion of town and township industries. We should develop both resources, new products, and industries and facilitate the scientific and technological advance of township enterprises. We should formulate and implement the brand-name strategy for developing township enterprises, accelerate the development of new products and the improvement of key products, actively bring in and disseminate applicable advanced technology, and enable township enterprises to develop a series of products. Meanwhile, we should establish the personnel markets in service of township enterprises, resolve township enterprises' shortage of personnel by training some operation experts, bringing in some backbone technical personnel, and selecting some managerial personnel, and strive to improve the technological quality of township enterprises and increase the competitive edges of their products. We should raise funds on our own through various channels and bring in funds from outside to increase the money investment in township enterprises. The 2-billion-yuan investment in township enterprises we arranged for next year should be in place, the major part of the accumulation of rural collective economy should be used in developing township enterprises, and townships, villages, enterprises, and peasants should be mobilized continuously to raise funds by themselves to develop the processing industry. Finance departments at all levels should earmark a certain amount of funds to pay the interest of the loans for township enterprises. All finance organizations should adopt every means possible to lend money to township enterprises and, at the same time, take advantage of geographical position and blood relation to conscientiously implement the "township enterprise demonstration project in eastern and western parts," extensively develop joint operation and cooperation with developed localities, and bring in more funds for townships, villages, and township enterprises. We should further improve the operating mechanism of township enterprises and enhance township enterprises' ability for market competition. We should reform the internal managerial system, strengthen the status of township enterprise directors and managers as representatives of legal persons, and change the situation in which township enterprises are attached to governments and there are too many administrative interventions. Focusing on increasing the market shares of the products of township enterprises, we should also launch in-depth activities to improve product quality and increase the marketing rate of products and the profit-tax rate of output value, and strengthen the production and management of the enterprises. We should conscientiously implement the system of responsibility for attaining the

targets of supporting township enterprises and launch extensive activities to link urban and rural areas. Departments directly under the province should define and implement their supporting measures as soon as possible according to the targets and work assigned them. In line with the principles of mutual benefit, mutual supplementation with each other's advantages, and common development, universities, large research institutes, and large plants should focus their coordination and cooperation activities on arming small industrial zones so as to support the sustained and rapid development of township enterprises.

C. We should implement regional distribution and specialized production, establish the production and operation systems whereby trade, industry, and agriculture are integrated and production, processing, marketing a coordinated process, and improve the industrialization of the rural economy. Selecting and establishing the leading industries and highly competitive products with regional comparable advantage is the premise of participation in domestic and foreign market competition; and organizing specialized and large-scale production according to the demand for socialized production is the basis to win the regional comparable advantage. Geared to the domestic and world markets, we should adopt every means to develop, cultivate, and expand our advantageous industries and products, improve the level of rural industries, and extend the industrial chains. Judging from the situation of the province, we should exert great efforts to develop the intensive processing of such staple grain crops as corns and soybeans, such major economic crops as flax and beets, such animal by-products as milk, meat, and feathers, and such natural resources as forests and mineral reserves. In this way, we can develop a series of finely processed foods, feed, flax cloth, dairy products, sugar, tobacco, leather, furniture, soft drinks, medicines, and building materials to increase the value of farm products. In line with their advantages in natural resources, products, and technology, all cities, prefectures, and counties should work out good plans for developing their local economy so that respective guiding industries and superior products dominate, should organize and guide peasants to do business centering on guiding industries and key products, should advocate the practice of "one village engaging in one product and one township engaging in one trade," and should develop specialized production and scale management. To increase industrialization of the rural economy, we must focus on establishing a production and management system characterized by a close combination of cropping, breeding, and processing of production, supply, and marketing, of internal and foreign trade, and of agriculture, industry, and commerce. We should also accelerate the development of organizations that integrate industry and agriculture with foreign trade. Working to form a framework in three years and perfecting mechanism in five years, the province should emphatically grasp the work concerning the organizations which produce, process, and market product series with grain, flax, dairy products, and beets

as their raw materials. Meanwhile, all cities and prefectures should emphatically cultivate trade-industry-agriculture integrations embracing local industrial and product advantages. All counties and townships should give full play to the role of corporations, associations, and able persons to help improve the management efficiency of existing integrated organizations. In building and developing trade-industry-agriculture organizations, we must break with the limits of administrative division and integrate raw materials production belts and processing bases with commodity distributing centers in order to commonly develop production-processing-marketing integrations. Meanwhile, we must emphatically cultivate and strengthen leading enterprises; accelerate the development of new products and markets, technological transformation, and the change in the operating mechanism of these enterprises; and enable these enterprises to play an even greater role in bringing along a number of specialized villages and specialized households and in running a number of production bases. In addition, we must pay attention to the profit linking of trade-industry-agriculture integrations and develop the economic groups that share risks and profits and that are closely connected, in line with the principle of improving efficiency. State farms are an important component part of the rural economy and are provided with relatively good conditions for developing rural industries and large-scale production. We should continue to deepen the restructuring of state farms and reinforce the position of production and management organizations as the mainstay of markets. We should exploit overall advantages to appropriately promote large-scale management around the development of guiding industrial series. Centering on improving economic efficiency, we should develop diversified management and fine and deep processing, initiate secondary and tertiary industries, make great efforts to increase accumulation, and continuously improve the living standards of staff and workers. We should also continue to organize the "state farm-county joint building" activities and exploit the demonstration role of state farms.

D. We should further integrate agriculture with science and education and make great efforts to increase the technology content of agricultural products and to improve the scientific, technological, and cultural quality of peasants. A decisive factor for the sustained increase in total output of the province's agricultural products, for the constant improvement in the quality of agricultural products, and for the rapid development of the province's rural economy lies in the successful implementation of the strategy of invigorating agriculture with science and education for many years running. Next year, we must implement in an even better manner the measure of invigorating agriculture through science and education and must further orient the development of rural areas to the orbit of depending on scientific and technological progress and improving the quality of laborers.

With the improvement in the quality of agricultural products and in economic efficiency of agriculture as the

center, and with the development of fine products and the popularization of practical technology as the emphasis, we should seize the opportunity provided by the readjustment of the agricultural product mix and rural economic structure to further enhance the level of integrating agriculture with science and education, expand from the integrations within our own regions to the integrations with other regions, and expand integration in the agricultural sphere to the non-agricultural sphere. We should expand the integrations from single-item technologies to comprehensive technologies. We should further expand the scale of agriculture-science-education integrations. The integrations should be made universal gradually in the province's rural areas while paying attention to the work of some counties and townships where the integrations are being experimented with. We should further improve the quality of agriculture-science-education integration. Agricultural departments should continue to organize the implementation of the "bumper harvest plan," expand the coverage of areas applying advanced practical technologies, and define in a timely manner, the joint-research projects that may promote the progress of agriculture. In line with the demands of agricultural development, scientific research departments should organize forces to strengthen the selection and cultivation of new breeds of animals and plants of good quality, high output, and high resistance to diseases. We should strengthen research in stay-fresh, storage, package, and transport techniques for agricultural products and foodstuffs; strengthen implementation of the "spark" plan; vigorously develop brand-name, fine-quality, special, and new products; and successfully run new agricultural high-tech park zones and practical technology demonstration zones. Educational departments should increase the number of labor and technology courses among rural middle schools in line with the process of popularizing advanced agricultural techniques, conduct adult education with a focus on improving the technological expertise of peasants, and train all kinds of specialized talents for developing the rural economy.

E. Efforts should be made to increase inputs in agriculture, to enhance the construction of agricultural infrastructures, and to reinforce the reserve strength of agricultural development. We should be determined to readjust the distributing pattern of national income and truly to enforce special policies for agriculture. The increased scale of financial spending budget for agriculture in 1994 should surpass that of the total financial spending budget by over two percentage points. Funds raised by localities for supporting agriculture should show a 10 percent increase each year and loans released for agriculture should show a 20 percent increase. Various loans and funds for supporting agriculture must be assuredly released in a timely manner and in line with the fixed volume. In order to meet the reform in the investment systems, it is imperative to expand the investment channels for agriculture while doing a good job in conducting reform among the rural financial

organs; and to encourage peasants and rural collectively-owned enterprises to increase their accumulations through labor work and their funds for investments. It is also imperative to encourage peasants and these collectively-owned enterprises to broaden their fund resources by increasing the charges of non-agricultural land and to enliven their rural funds by successfully operating rural credit cooperatives and establishing cooperative foundations. Efforts should be made to enhance the management over agricultural funds, to upgrade the efficiency of fund utilization, and to prevent fund outflow and illegal diversion. By upholding the farmland capital construction with the focal points of improving soil, taming rivers, and planting trees, we should concentrate our efforts on building a large number of large and backbone projects of preventing flood; draining flooded fields; conducting irrigation; generating power; storing water; and diverting river water while accomplishing the repair, rebuilding, and improvement of the existing water conservancy facilities. Efforts should be made to accelerate the pace in consolidating the serious soil erosion in some areas; to regard as a focal point the tree planting aimed at greening the waste mountains; to accelerate the pace of fostering forests alongside water areas, used as a shelter for agricultural production, and aimed at maintaining the water resources; and to pay attention to developing the follow-up resources of forestry. A good job should be continuously done in carrying out comprehensively agricultural development on the Sanjiang and Songnen plains, accelerating the improvement of medium-and-low-yield farmland and of grassland, continuously fostering soil fertility, protecting farmland, and improving the agricultural ecological environment. When formulating their economic and social development plans, various localities should give preferential consideration to the construction of rural infrastructures and do a good job in carrying out an overall design. They should also integrate the improvement of agricultural productive conditions with the agricultural development, the project construction with the ecological construction, farm machines and agricultural technologies with land utilization and maintenance, and the improvement of peasants' living conditions and the ecological environment with the construction of new rural villages so as to improve the province's construction of rural infrastructures to a new level.

F. Efforts should be made to accelerate the construction of small towns, to further enforce the integration between urban and rural areas, and to promote the harmonious development between the urban and rural economy. Small towns are major carriers of secondary and tertiary industries and represent a fundamental way to realize the urbanization of rural areas. Party committees and governments at all levels should regard the construction of small towns as a strategic measure of developing the rural economy and the county economy and put the construction on their major work schedule. They should strive to enable the province's construction of small towns to achieve greater development by the end of this century and foster or establish a large number

of star towns that possess their own characteristics, have obvious strong points, are exerting large influence, and are stronger in playing a role of bringing along others. Efforts should be made to further improve the plan for small town construction, to make rational arrangements, to make breakthroughs in key areas, to enforce the plan step by step, to give priority to building up the county seats in the recent period, and to emphatically develop organic towns along border areas as well as railways and highways. We should uphold the principle of developing industries to build up towns and to make them prosperous and integrate the construction of small towns with the development of processing and tertiary industries. We should also enforce preferential policies in this regard and direct the rural cooperative economic organizations to open an enterprise in urban areas and the secondary and tertiary industrial enterprises in rural areas to jointly move in small towns. Efforts should be made to encourage peasants to join in industrial work in urban areas, to open a business such as food services, and to engage in the undertakings of transportation and construction so as to reinforce the cohesion and influence of small towns. In order to promote the construction of small towns and the development of secondary and tertiary industries, county seats may adequately broaden their scale as long as they have achieved faster development in the economy and basically possessed the conditions in various fields. We should emancipate our minds and actively conduct the pilot work of reform among the systems of urban resident registers. Peasants who are running industrial plants or business firms in urban areas as well as who have bought a house there, had a relatively stable job, and paid a certain volume of urban construction fees, may be allowed to become urban residents and their family registers may be put into ordinary management.

G. We should step up efforts to promote the reform of county-run industrial enterprises by turning them into ones owned by the state but managed by the people or ones owned and managed by the people and greatly develop individual and private economies to cultivate and expand the county-level financial resources. The reform of the financial and tax systems to be promoted by the state next year will create some new conditions in the county-level finance. An important link to conform to the new conditions is to cultivate and open up new financial resources. County-run state-owned industrial enterprises constitute an important factor affecting county-level finance. To make county-run industrial enterprises successful, the provincial party committee, in August this year, held a forum on the reform of state-owned small industrial enterprises, deciding to combine the property right reform of the county-run industrial enterprises with their technical transformation to remold their systems and organizations. However, the work has proceeded in an uneven manner. Effective measures should be adopted to promote it more greatly. Judging from long-term development, domestic and foreign funds and technology should be used to renovate the enterprises who possess advantages in their products and

whose economic efficiency is fairly good. The cooperative shareholding system should be applied to those whose products are still marketable but have no good prospects, and they should be leased or sold out to have their property right transferred and organization innovated. Those whose assets cannot cover their debts and who hold no promise of ending their deficits should close, suspend their production, and even go bankrupt so as to cast away their burdens. All cities and prefectures should attach great importance to this work and devote some time to giving specific guidance to promote this work in the counties and cities under their jurisdiction. All counties and cities should step up classification of their industrial enterprises and define realistic reform methods and adopt feasible measures to accelerate their reform. We should strive to complete the transformation of the systems and mechanisms in more than one-third of the county-run industrial enterprises in the province within next year. Practice in the county-level economic development showed that individual and private economies should be developed bravely because they are the new growing points of the rural economy and another important source of county-level revenues. We should further liberalize the scope of their business and allow individual household industrial production or business and owners of private enterprises to engage in all the production and business other than those prohibited by the state in explicit orders. We should further liberalize the methods of business and allow individual and private enterprises to contract, lease, merge, and purchase state-owned and collective small enterprises.

H. We should attend to the two civilizations simultaneously and be competent in both so as to promote their coordinated development. While promoting the rural material civilization, we should conscientiously strengthen the spiritual civilization to make rural areas develop along the direction of affluence and civility. We should strengthen rural ideological and political work, intensify the education on the theory of building socialism with Chinese characteristics, and continue the education on patriotism, collectivism, and socialism to guide the vast number of peasants to foster a spiritual pillar of the new era. We should launch extensive activities to build civilized villages and civilized households and guide peasants to establish a good practice characterized by plain living and hard work, thrift in running homes, respect for the old and love for the young, support for the poor, and help to those with difficulties. When summarizing the work to achieve a fairly comfortable standard of living in this winter and next spring and when implementing the "agriculture law," we should emphasize the education on the market economy and legal system and guide peasants to enhance the sense as the mainstay, the sense of competition, and the sense of self-protection. We should actively develop rural education and further improve the conditions for running schools. We should increase the number of students enrolled in and following through the nine-year compulsory education, reduce illiteracy, and prevent new illiteracy. Colleges and secondary specialized schools should

enroll more students from rural areas and increase the students trained for certain organizations and those to be assigned to certain organizations. We should do a good job in improving rural cultural facilities and the contingent of literary and art workers to enrich the rural cultural life. We should succeed in the rural medical reform focusing on improving rural cooperative medical service, develop rural public health, and conscientiously resolve peasants' difficulties in receiving medical service. We should strictly enforce the family planning policies, coordinate the family planning work with the development of the rural economy and the improvement of the social guaranteeing system dominated by the old-age pension system, and control the natural rural population growth rate. We should further strengthen the overall management of social order; carry out the leadership responsibility system and the system that the activities of making assessment through comparison and awarding the advanced must not be held when the family planning targets are not attained; mobilize the masses to improve social order; deal strict blows to the gangs of hooligans and thefts and the criminals who engage themselves in train marauding and waylaying that run amuck at home villages and towns; strengthen the management of social order among the rural markets, entertainment centers, railway stations, and wharves; and create a stable social environment for developing the rural economy.

4. Strengthen and Improve the Party's Leadership Over the Rural Work and Ensure the Smooth Progress of the Rural Reform And Construction

The key to strengthening agriculture's role as the foundation of the national economy and accelerating the pace of rural reform and development is to strengthen and improve the party's leadership. Particularly, in the course of setting up the socialist market economic system, the party committees and governments at various levels must pay attention to the issues relating to agriculture, the rural areas, and the peasants; realistically control the overall rural work situation; and gain the initiative in rural reform and development.

First, the party committees at various levels should strengthen organizational leadership over agriculture and rural work and upgrade the ability in controlling the overall rural market economic situation. The fundamental way for strengthening and improving the party's leadership over the rural work is to deeply understand and accurately apply Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and deeply understand and accurately implement the guidelines of the third plenary session of the 14th party Central Committee and the central rural work conference. According to the arrangements of the provincial party committee, the party committees at various levels should regard the study of the third volume of the "Selected Works of Deng Xiaoping" and the documents of the two sessions of the central authorities as a prominent political task and a prerequisite for improving the

leadership level, and conscientiously and carefully organize party members and cadres to engage in the study. We should coordinate the ideological reality and the rural work reality with the rural reform and development tasks; grasp the quintessence of emancipating the mind and seeking truth from facts; grasp the main line that development is an established principle; and solve the problems that the people are not inspired with enthusiasm, fail to widen the way of thinking, stick to old conventions, and are satisfied at small wealth; enhance the firmness of implementing the basic line of the party; and upgrade the awareness of grasping agriculture and the rural work. The enhancement of the party's leadership over agriculture and the rural work should be reflected by the strong rural leadership system. The prefectural and county party committees should focus their work on agriculture and the rural work and assign principal leaders to take charge of the rural reform and development tasks. As far as the central cities that take charge of guiding the work of counties are concerned, their party committees should strengthen the leadership over agriculture and the rural work and study ways for solving the problems relating to agriculture, rural areas, and the peasants in a timely manner. The party committees at or above the county level should further assign deputy secretaries in charge of agricultural work and also assign vice mayors and deputy county heads in charge of industrial work. We should continue to carry out the system where counties and townships elect and assign deputy heads to take charge of town and township enterprises and the scientific and technological work. The agricultural committees are the overall departments in charge of agriculture and the rural work under the party committees and the governments at the same levels, and should bring their functions for coordination, management, service, and guidance into full play. The improvement of the party's leadership over the rural work should be reflected by the formation of the leadership form that is suitable to the requirements of the market economy. We should treat agriculture and rural work from the angle of the market economy, organize rural reform and agricultural production with the guidance of the market economy, always attach importance to developing the role of the market in allocating resources, lose no time in adjusting the rural production structure and product mix according to market changes, and organize and guide peasants to develop commodity production in broader fields. We should persist in the methods of using typical examples as guides, giving different guidance according to different conditions, and promote work regionwide. Following the 10 strong counties and 100 strong towns and townships, we should cultivate and foster a number of comparatively well-off counties, townships, and villages to serve as examples for rural areas to achieve a fairly comfortable standard of living more rapidly. We should further strengthen work guidance to mountainous and semi-mountainous areas, plain areas, border areas, and suburban counties and lead all types of counties to carry forward their local advantages and develop the county economy with their own characteristics. We should continue to support

prosperous counties to accelerate development, help impoverished counties shake off poverty and achieve affluence, implement the preferential policies provided by the provincial party committee and government, strengthen the supporting, helping, and promoting work, and carry out the measures for rewarding attainment of targets to lead these counties to accelerate development.

Second, we should improve rural grass-roots organizations and exert great efforts to train groups of persons capable of leading rural areas to prosperity. Rural grass-roots organizations are the organizational foundation for the party to exercise effective leadership over rural work. Aiming at developing rural productive forces and increasing peasants' income, we should put more efforts into improvement of village-level organizations with village party branches as the core while improving party committee leading bodies at all levels. In line with the principle of emphasizing political integrity and abilities, we should adjust, replenish, and improve party branch leading bodies in a timely manner and attach importance to optimizing their overall structure. Good party branch secretaries should be selected from local outstanding party members, from the cadres transferred from counties or townships, or from town and township reserve cadres. We should rectify incompetent party branches with slackened morale a group at a time and strictly carry out the regular activities of the party organization to improve their combat effectiveness and unity. We should regard the training of groups of persons capable of leading rural areas to prosperity as a long-term and strategic task of improving rural grass-roots organizations and conscientiously carry it out. All cities, prefectures, and counties should draw up work plans for this task and exert more efforts to implement it. We should promote town and township major responsible persons by attaching importance to their performance; optimize the structure of rural grass-roots cadres by selecting the people with higher political quality; expand the contingents of town and township entrepreneurs by training them and developing the rational mobility of trained personnel; and give play to the demonstration role of large specialized households through policy support. In three to four years, we should strive to turn most township and village party and government responsible persons into experts in organizing and leading the rural market economy and most responsible persons of township enterprises into modern entrepreneurs meeting the need of the market economy. Every village should have several large specialized households and demonstration households who can play a larger promoting role. While improving party branches, we should also improve villagers' committees, militia organizations, women's federations, and the Communist Youth League and develop their due role. As rural grass-roots cadres shoulder heavy and difficult work and are often the focus of contradictions, party committee and governments should make great efforts to understand, respect, show concern for, cherish, support, and protect them while conducting regular education and management to help them

improve work styles and maintain close ties with peasants. Party and government departments at all levels should further enhance the sense of service, regard it as an important principle to serve, improve, and invigorate grass-roots organizations, make sure that grass-roots cadres direct production and perform work in an independent and responsible manner, reduce the work burdens on grass-roots cadres, and help them solve the specific problems in their work and life so that they can have ease of mind in and dedicate themselves to organizing and leading peasants to work diligently and achieve affluence.

Third, we should ensure the implementation of the party's policies toward the rural areas and fully mobilize the peasants' enthusiasm for production. All prefectures, cities, counties, and departments concerned should resolutely, conscientiously, and solidly implement the numerous party Central Committee and the State Council's current policy measures for agricultural and rural economic development; and strive to make noticeable achievements within a short period of time. We should positively work out serviceable measures for promoting the implementation of policies, proceed from reality, and creatively implement the decisions of the central authorities and the instructions of higher levels. At the time of strengthening the mechanism for restricting the implementation of policies, we should strengthen organizational restrictions and strictly follow the working procedure of working out policies, organizing forces to implement policies, and giving examinations and instructions so as to institutionalize the implementation of policies. We should also strengthen the supervision by the masses; have the broad masses of the people understand, be familiar with, and grasp policies and gradually handle affairs according to policies; fulfill our duties according to laws; and resist the activities in violation of policies. Particularly, we should implement the policies on supporting the poverty-hit counties, coordinate the work of having the poverty-stricken areas free themselves from poverty and subsidies with the realization of the target of being fairly well-off, increase the input to the support of the poor, promote the support-the-poor work on a large scale, and promote even economic development among various regions.

Fourth, we should mobilize the forces of all fronts to support agriculture and rural work and unite with one another to develop agriculture and make the peasants rich. Organizing and mobilizing all social forces to pay attention to, support, and develop agriculture should be regarded as a key link of strengthening and improving the party's leadership over rural work. The departments under the party committees and the governments should strengthen the investigations and study on agriculture and the rural work; achieve information feedback, supervision, and examination; be advisers on guiding agricultural production and the rural work to the party committees and governments; organize personnel affairs departments to prominently grasp the construction of the county-level leading bodies, the rural grass-roots

organizations, and the cadres contingents and the exchange of skilled persons; and cultivate increasingly more persons to help the rural areas seek wealth. The propaganda and cultural departments should strengthen the propaganda on agriculture, the rural areas, and the peasants, arouse public opinion on protecting and supporting agriculture, and also make efforts to enrich the cultural life of the rural areas. The law and discipline enforcement organs should strictly investigate and handle the cases of harming, cheating, and apportioning expenses from the peasants; and protect the legal rights and benefits of the rural economic organizations and the peasants. The overall economic departments should organize large and medium-sized enterprises to positively introduce technologies, products, and skilled persons to the rural areas and to conduct cooperation with town and township enterprises. According to the state industrial policies, the economic lever departments should positively support the localities to develop the industries with their advantages and develop the private and individual sectors of the economy. The internal and external trade departments should calculate and report market information, organize the circulation of the rural areas, and help counties and cities build export commodity production and processing bases in a timely manner according to the changes of the domestic and foreign markets. Financial organizations should promote the flow of capital in the rural areas, grant more loans to agriculture, and help the rural areas optimize the industrial structure according to the principle of efficiency and in line with the credit policies. The Communist Youth League organizations, the militia organizations, and the women's federations should deeply launch various activities of promoting rural reform and development and bring into play the broad masses of rural young people, militiamen, and women's role as shock brigades, main forces, and half the sky. Only when the party and government leaders at various levels pay attention to agriculture and the whole society supports agriculture, will a brand-new situation in rural economic and social development emerge and the peasants' degree of wealth be greatly upgraded.

Jilin's He Zhukang Comments on Tax Reform

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[By reporter Liu Li (0491 0500): "He Zhukang Holds Talks With Tax Bureau Cadres"]

[Text] In 1993, the provincial tax bureau persistently handled tax affairs according to laws, intensified the management of tax revenues, positively cultivated tax resources, supported economic development, and made gratifying achievements. As a result, the tax revenues of the province increased by a big margin. On the afternoon of 11 January, He Zhukang, secretary of the provincial party committee, went to the provincial tax bureau to extend greetings to the bureau and also stated that in the new year, the bureau should make consistent efforts to

achieve the reform of the tax system, make efforts to promote production and increase revenues, and strive to make greater achievements.

At the meeting hall of the provincial tax bureau, Comrade He Zhukang heard the work report made by the responsible comrade of the provincial tax bureau and also held talks with some tax cadres.

In the past year, the tax organs at various levels and the broad masses of tax cadres across the province conscientiously implemented the guidelines of the 14th party congress and the sixth provincial party congress, persistently administered the tax affairs according to laws, strengthened the management of tax collection, vigorously organized tax collection, positively promoted production to increase revenues, realistically strengthened the construction of the cadres contingents, and better accomplished various tax revenue tasks. According to statistics, the provincial tax department collected and handed over to the state treasury 7.168 billion yuan of local-level industrial and commercial taxes, showing an increase of 43.4 percent over the previous year and overfulfilling the fiscal target of elevating the tax collection work to a new height. The growth rate had not been seen in the past few years. The tax management forms and the tax inspection methods were improved. The scale of experiment with the management of tax affairs on a commissioned basis was expanded. All this helped promote the setup of the pattern for collection and management of taxes suitable to the socialist market economic system. We made noticeable achievements in consolidating the tax revenue order. The overall front has further improved its practice and made achievements in especially eliminating the unhealthy trends.

During the talks, the participants set forth opinions and suggestions on installing organs, collecting and managing tax revenues, and promoting production to increase revenues following the implementation of the new tax system and on the new problems that will possibly emerge.

Comrade He Zhukang wrote down what he was told. After hearing their speeches, he pleasantly said: Our province's tax revenue work has been good. The tax revenues steadily increased. Particularly in 1993, the tax revenues increased by a big margin thanks to the efforts made by the broad masses of the tax affairs workers. On the one hand, the tax department has vigorously increased its revenues; and on the other, it has positively supported the local economic development. So, it has made great contributions. It also stands in the forefront of deepening reform and correcting the unhealthy trends within trades. It has made many successful explorations and accumulated many typical experiences. The provincial party committee and the provincial government have constantly been satisfied with the tax revenue work. On behalf of the provincial party committee and the provincial government, I came here today in order to extend cordial regards and heartfelt thanks to you and

also ask you to pass our regards and thanks to the broad masses of tax workers across the province.

Comrade He Zhukang said: The 1994 reform and tax tasks are very heavy. First, we should grasp revenues. This is of extreme importance to ensure a sustained and fast economic development and the implementation of a series of new reform measures. Second, we should achieve the reform of the tax system and ensure the implementation of the new tax system. We should strengthen study and propaganda to have the tax workers, the personages of all social circles, and the broad masses of the people to accurately understand and support this reform. We have to do a lot of work to implement the new tax system and to exert great efforts to do our work well from the beginning of the year. The next-step work will easily be done when we achieve the work of the first year. Otherwise, there will be more difficulties. We should conscientiously conduct investigations and study when coming across with the problems in the course of implementing the new tax system and explore methods for solving the problems cropping up in the course of practice. Simultaneously, we should timely report to the higher levels and ask their instructions so as to reasonably solve problems. The reform of the tax system is a matter relating to not only the tax departments but also the party committees and governments at various levels. Therefore, the party committees and governments at various levels should go all out to support the reform of the tax system to ensure the smooth progress of this reform.

Comrade He Zhukang stressed: As a key economic lever, the tax collection work plays a better role in macroeconomic regulation and control. Therefore, strengthening the macroeconomic regulation and control plays a proper role in setting up the socialist market economic system. Great changes will take place after implementing the new tax system. Some problems have not been expected. Particularly, we should urgently study methods to solve the problems relating to the existence and development of a large number of town and township enterprises and small-scale tax payers. Some of the existing macroeconomic regulation and control methods are not suitable any more. Thus, the tax departments are required to become a new actor as soon as possible, readjust its work ideology, boldly explore ways and methods for macroeconomic regulation and control under the new system, and strive to promote a sound development of the economy.

Comrade He Zhukang said: After the reform of the tax system, the tax organ should be divided into two bureaus, such as state tax bureau and local tax bureau. However, their goal still remains unchanged. That is, they should better promote the development of reform and the economy. Both state and local tax bureaus are very important. We should foster the idea of "taking the whole country into account." We should consult and coordinate with one another if there are problems, proceed from the overall situation, and make concerted efforts to achieve the tax revenue work.

Comrade He Zhukang concluded: Today, the participants set forth many good opinions and suggestions on the tax revenue work. From now on, we hope that you will be able to put forward, at any time, your own opinions and suggestions on the work of the provincial party committee and the provincial government and on the local economic development. The party committees and governments at various levels should pay high attention to your opinions and suggestions to ceaselessly improve their work.

Present at the talks were responsible comrades of the relevant departments of the provincial party committee and the provincial government.

Northwest Region

Qinghai Secretary Views Political, Legal Issues

HK0102144894 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 22 Jan 94

[Text] A three-day provincial political and legal affairs work conference wound up in Xining yesterday afternoon.

Comrades in charge of political and legal affairs work from across the province conscientiously studied a series of important instructions issued by a number of central leaders with regard to maintaining political stability and social order; analyzed in an in-depth manner the province's present political and legal affairs work on the basis of summing up last year's work; and laid down the tasks for 1994 in light of Qinghai's realities.

Provincial party committee Secretary Yin Kesheng delivered a speech at the closing session in which he stated: Over the past year, political and legal affairs workers across the province have made strenuous efforts and scored noticeable achievements. We are going to accomplish more onerous tasks in 1994. Given the fact that the Third Plenary Session of the 14th CPC Central Committee adopted the "Decision on Several Questions on Building a Socialist Market Economic Structure," we are bound to witness speedier reform and construction in 1994. We are facing an excellent opportunity for faster development on the one hand and a rigorous test and challenge on the other. In order to narrow the gap between Qinghai and the rest of the country and more successfully push ahead with reform and construction, we should comprehensively step up political and legal affairs work and strive to maintain social stability.

Speaking of Qinghai's political and legal affairs work in 1994, Comrade Yin Kesheng noted: We should understand more clearly the importance of political and legal affairs work in the new situation; unswervingly adhere to the principle of firmly grasping two types work at the same time; and make every possible endeavor to maintain provincewide stability. To this end, Yin Kesheng added, efforts should be made to strengthen leadership; conduct work in a down-to-earth manner; and strive to

open up new vistas for the province's political and legal affairs work in 1994. First and foremost, the provincial political and legal affairs committee should strengthen leadership over all political and legal affairs departments across the province; strengthen coordination among and supervision of public security, procuratorial, and judicial organs at all levels; and work hard to open up new vistas for the province's political and legal affairs work. Second, party committees at all levels across the province should strengthen overall leadership over political and legal affairs work while governments at all levels should render unreserved support to political and legal affairs work with a view to further pushing ahead with the province's political and legal affairs work in 1994.

Comrade Yin Kesheng noted: The political and legal affairs workers in Qinghai are loyal to the party and the people. Over the past many years they have made indelible contributions to Qinghai's stability and development. Nevertheless, problems have also been discovered within the ranks of political and legal affairs workers. In view of this situation, it is necessary to make every possible endeavor to turn the province's contingent of political and legal affairs workers into a contingent that is politically reliable, professionally competent, and capable of fighting tough battles and withstanding all tests and is supported and cherished by the broad masses of the people across the province.

Comrade Yin Kesheng maintained: It would be impossible to successfully further political and legal affairs work in the absence of the party and government's leadership and support. Thus, party committees and governments at all levels in Qinghai should continue, as always, to attach great importance to and support political and legal affairs work; constantly guide political and legal affairs work with correct principles and policies; assist political and legal affairs departments to independently investigate and handle cases in accordance with the law as well as strictly enforcing the law under the guidance of the party's basic line; show concern for and help political and legal affairs departments tackle problems in work; and assist public security, procuratorial, and judicial organs in updating technological equipment and improving working conditions.

Comrade Yin Kesheng stated: The whole society is undoubtedly duty-bound to step up political and legal affairs work and improve social order. All areas, departments, trades, and professions as well as all social strata should give support to and enhance cooperation with political and legal affairs departments and join them in successfully strengthening management of comprehensive social order. All units, urban district offices, and neighborhood committees, as well as rural and pastoral villages and townships across the province, should make continued efforts to establish and perfect a responsibility system aimed at stepping up comprehensive social order management with a view to creating an overall social atmosphere for maintaining social order and improving the general social mood, wherein all bad deeds and people will be invariably opposed, thereby: Exerting

more social pressure on all types of criminals; improving social order across the province in a comprehensive way; and lowering the province's crime rate to a minimum.

Chen Yanqin, Tang Zhengren, and Doba, provincial party committee standing committee members; Huanjue Cenam, provincial people's congress standing committee chairman; provincial Vice Governor La Bingli; and other comrades also attended the closing session.

Lu Haiping, provincial political and legal affairs committee deputy secretary, made a summing-up speech at the closing session.

Qinghai Vice Governor Views Developing Foreign Trade

HK0102132194 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 25 Jan 94

[Excerpts] The provincial government held an economic and foreign trade work meeting on 25 January. Governor Tian Chengping and Vice Governor Wang Hanmin attended and addressed the meeting.

Wang Hanmin stressed: In this year's foreign trade and economic relations, we should further deepen reform and firmly abide by the line of macro-foreign trade. This is the fundamental way to increase vitality in foreign trade enterprises. We should unify our policies, carry out operations openly, engage in fair competition, assume sole responsibility for profits and losses, combine economy with foreign trade, and seek new ways of reform in light of our specific conditions. We should build export commodity bases in a planned way in accordance with international market demands, introduce conglomeration, jointly develop production by allowing others to buy shares, and form enterprise groups. [passage omitted]

Wang Hanmin pointed out: This year, we should continue to carry out the strategy of market diversification and triumphing over others by means of good quality. In the course of consolidating and developing the existing network and foreign trade relations, foreign trade and export enterprises in the province should also explore markets in developing countries so that we will have trade partners all over big continents. In the meantime, all localities and departments should regard foreign economic relations and foreign capital as a basis for foreign trade development. [passage omitted]

Governor Tian Chengping hoped that other departments in the province would actively cooperate with foreign trade departments in promoting foreign economic relations and trade.

Qinghai Reports Anticorruption Struggle

HK0102145094 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 27 Jan 94

[Text] Qinghai has scored noticeable anticorruption results since last September when various areas and units

across the province started conscientiously relaying and implementing the spirit of the anticorruption instructions given by the CPC Central Committee and the Qinghai Provincial CPC Committee, mobilizing and guiding the broad masses of people at all levels across the province to combat corruption, and creating a strong anticorruption momentum in the whole province with the result that the broad masses of people and cadres in Qinghai now have enhanced confidence in the on-going anticorruption struggle.

Statistics shows that the provincial discipline inspection commission and supervision department received reports on some 679 corruption cases from the masses in the period between late August and late November last year. Some 84.8 percent of the province's cadres at provincial department or bureau level and some 97 percent of the province's cadres at county or provincial department section level conducted anticorruption self-examination in the same period with the result that some cadres voluntarily handed over credit cards, coupons, and souvenirs given to them as gifts, admitted such past wrongdoings as enjoying above-standard reception and free meals during inspection tours of grass-roots units, accepting special local products given by grass-roots cadres on Lunar New Year Festival, and so on, and put forth measures of straightening out those malpractices. Their correct approach was appreciated by the broad masses of cadres and people.

Qinghai's anticorruption success is also proven by the fact that the province has made much headway in investigating and handling corruption cases. According to incomplete statistics, in 1993, discipline inspection and supervision departments in the province placed on file for investigation and prosecution some 514 corruption cases, of which some 402 cases were wound up, with the result that a total of 154 party members who had violated discipline were penalized, of whom 64 were expelled from the party. One was a cadre at provincial department level and 13 were cadres at county or provincial department section level. A total of 59 cadres were disciplined in accordance with the relevant administrative rules, of whom five were cadres at county or provincial department section level. Moreover, the province also investigated and straightened out those malpractices that had caused strong resentment among the masses with the result that some 601 economic entities run by party or government organs at the county level were screened, of which 22 were abolished or ordered to suspend operation, six were ordered to become enterprises, and 11 were ordered to be leased to other units. The provincial authorities are presently studying ways and means of severing ties between those remaining economic entities on the one hand and the party or government organs at county or provincial department section levels on the other.

Shaanxi Holds Provincial Security Work Meeting

HK0102142994 Xian Shaanxi People's Radio Network in Mandarin 2300 GMT 26 Jan 94

[Text] A three-day national security work meeting concluded yesterday. Provincial party Deputy Secretary Zhi Yiming, Vice Governor Xu Shanlin, and leaders from the Ministry of State Security attended and addressed the meeting. Zhang Yongkui, chief of the Shaanxi Provincial State Security Department, made a work report.

The meeting pointed out: Since the introduction of reform and opening up in Shaanxi, the situation has developed very fast. But the better the situation, the more we should heighten our vigilance. At present, the world is not quite peaceful, factors causing instability are increasing, and spy and intelligence organizations as well as some hostile forces outside the borders keep carrying out sabotage activities. The province has a heavy task of defending state security. Viewed from the angle of opposing peaceful evolution and preserving the country's prolonged stability and tranquility, we must correctly understand the importance of strengthening state security, remain sober-minded and maintain vigilance against enemy movements on the concealed front, and strengthen the province's state security.

The meeting requested all offices, mass organizations, enterprises, and institutions to frequently carry out education on state security among their personnel, to solidly cultivate the mentality of everyone being responsible for state security, to help state security institutions with their work, and to crack down on all kinds of crimes damaging state security to ensure the smooth carrying out of reform, opening up, and economic construction.

Song Hanliang Speaks at Xinjiang Party Plenum

OW0102142694 Urumqi Xinjiang Television Network in Mandarin 1330 GMT 26 Jan 94

[From the "Xinjiang News" program]

[Text] The Sixth Enlarged Plenary Session of the Fourth Xinjiang Regional CPC Committee successfully ended in Urumqi yesterday afternoon. [Video shows closeup of Abulaiti Amudurexiti] Abulaiti Amudurexiti, deputy secretary of the regional party committee and acting chairman of the autonomous region, presided over yesterday's meeting.

Leading comrades including Song Hanliang, Zhang Fusen, Jin Yunhui, Wang Liquan, Keyum Bawudun, Guo Gang, Zhou Shengtao, Heiliqiemu Silamu, Pan Zhaomin, and (Li Fengzi) attended the plenary meeting. [Video shows closeups of leaders mentioned]

The meeting adopted the regional party committee's decision on seriously implementing the guidelines of the Third Plenary Session of the 14th CPC National Congress, accelerating reform and opening up, and promoting Xinjiang's economic development in a rapid and

efficient way; and it adopted the resolution on the work report of the Advisory Committee of Xinjiang Uygur Autonomous Region.

Song Hanliang, secretary of the regional party committee, made a summing up speech. He emphatically pointed out: To further promote Xinjiang's reform and development, the most crucial thing is to emancipate our minds and seek truth from facts. In the minds of some of our comrades, the problem of being socialist or capitalist has not been fundamentally solved. The old ideology of planned economy still restrains the minds of some of our comrades. The traditional oasis economy of seeking self-sufficiency has been firmly established in the minds of people. It has generated deep-rooted ideas of closed economy, self-satisfaction, and conservatism. When discussing reform, some comrades often stressed special conditions in the region and warned against taking big strides. They wanted to do things slowly and hoped to receive more special consideration. This kind of backward ideology has adversely influenced our work.

Song Hanling said: Without deepening the reform and changing our ideology, we will not be able to achieve the goal of enabling the people to lead a fairly comfortable life. In the course of emancipating our minds, leading cadres at various levels must stand at the forefront and set examples for others. We should conscientiously study Volume 3 of the *Selected Works of Deng Xiaoping*, arm the minds of cadres of various nationalities with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, and plunge ourselves into the great practice of reform and construction.

Song Hanling said: Xinjiang should have a sense of urgency in promoting development with high speed and high efficiency. We must now pay particular attention to the following points:

1. We should accelerate adjustment of the industrial structure and raise the overall efficiency of the national economy.
2. We should improve the allocation of productive forces and give favorable consideration to both special areas and special industries.
3. We should break away from the structure of single ownership and vigorously develop private economy.
4. We should change the operational mechanism of and invigorate state-owned enterprises.
5. We should successfully complete construction of the international passageway in the Northwest and further open up to the outside world.

Song Hanling said: Adhering to the policy of grasping two links [no further elaboration; the term "grasping two links" was explained in detail in Jiang Zemin's report to the 14th CPC National Congress] simultaneously and attaching equal importance to both are basic requirements for building socialism and are integral components of Comrade Deng Xiaoping's theory of building

socialism with Chinese characteristics. We must persist in grasping the two links in our actual work.

On the issue of maintaining social and political stability, Song Hanling pointed out: First, we must correctly handle the relationship between stability and development. Second, we should foster the idea of making efforts over a long period and heighten our consciousness regarding the work of maintaining stability. Third, leading cadres at various levels should oppose national splittism with a clear-cut stand. Fourth, we should exert all our efforts to grasp the work of maintaining stability. Fifth, we should firmly trust and rely on the masses of various nationalities.

Song Hanling emphatically pointed out: To realize the strategic goals set by the Third Plenary Session of the 14th CPC National Congress and the tasks put forward by the current meeting, to accelerate reform and opening up and to promote Xinjiang's rapid and efficient economic development, the key lies in strengthening and improving the party's leadership and, in particular, strengthening party leadership over economic work.

Members of party committees at various levels must spend more time in study and less time in social activities, undertake more investigation and study and reduce their subjectivism, do more practical things and limit empty speech, concentrate their efforts on effectively resolving contradictions and problems arising in the course of reform and development, and ensure the true implementation of various principles and policies of the party Central Committee and the autonomous region.

Tomur Dawamat Views Solidarity, Stability in Xinjiang

OW0102094294 Urumqi Xinjiang Television Network in Mandarin 1330 GMT 26 Jan 94

[From the "Xinjiang News" program]

[Text] In a written statement he presented to the sixth enlarged plenary session of the Sixth Xinjiang Regional Party Committee [date not given], Tomur Dawamat, deputy secretary of the Xinjiang Autonomous Region Party Committee, expressed his views on achieving greater solidarity and stability in Xinjiang.

He pointed out: Speeding up economic development is a basic task of ethnic affairs during the new period. Experiences prove that differences among people of various nationalities and problems in minority areas must eventually be resolved through economic development. When the economy has developed, the strengths of the socialist system can be brought into full play, people of all nationalities will love the CPC and the motherland even more, and they will become even more aware of the need to safeguard the unification of our motherland and the solidarity among people of all nationalities.

He pointed out: People of all nationalities should respect, trust, support, emulate, and understand each

other. We should breathe the same breath, and share the same destiny; and our hearts should be linked. Only by so doing can our cause prosper and become invincible. To achieve solidarity among people of all nationalities, the key lies in the solidarity among cadres, especially leading cadres, at all levels. We must rally and count on cadres and the masses at all levels to wage a justifiable fight against the national separatists' conspiracies, giving full scope to the role of people's dictatorship. For hostile elements engaging in separatist activities, in promoting unrest [gao dong luan], and in opposing the party and socialism, we must exercise dictatorship on them. By no means should we be lenient on them.

Xinjiang Public Security Official Stresses Stability

HK0102135794 Beijing RENMIN GONGAN BAO in Chinese 25 Jan 94 p 3

[By Adhuresidi (7093 0008 6757 3583 6007 2251), deputy chief of Xinjiang Public Security Department: "Stability Must Overwhelm Everything"]

[Text] An important concept in volume three of the "Selected Works of Deng Xiaoping" is "stability stands above all else." To adhere to the party basic line for 100 years without wavering, it is imperative to consolidate and develop the political situation of unity and stability. Without political stability, reform, opening up, and economic construction would all be out of the question. Furthermore, the results already gained would also be lost. To consolidate and develop the stable political situation is not only the objective need of social and economic development but the aspiration and basic interest of Chinese people of all nationalities.

Xinjiang is located on the motherland's northwestern frontier, sharing its border, which stretches some 4,000 km, with eight neighboring countries. With the deepening of reform and the expansion of opening up, Xinjiang's economy has become increasingly prosperous with each passing day and it has become an important part of the Eurasian continental bridge. However, with the tremendous changes in Eastern Europe in recent years, the ambition of hostile elements from outside our borders in their attempt to separate Xinjiang has expanded with each passing day. Those separatist forces openly clamor: "Oppose socialism" and "religion stands before Marxism-Leninism," in an attempt to separate the motherland and Xinjiang and to sabotage nationality solidarity. Consequently, their reactionary nature has been fully revealed.

This being the case, it is imperative for us to further strengthen the struggle against separatism, sternly crack down on various criminal activities, and adhere to doing two types of work simultaneously, attaching equal importance to both. We must adhere to the four cardinal principles, resolutely eliminate all factors which lead to confusion, and even turmoil, to safeguard social stability and ensure the further in-depth development of socialist economic construction. The stability of the political

situation is the prerequisite for rapid economic growth. In turn, economic prosperity will inevitably promote social stability.

XINJIANG RIBAO To Increase Pages, Expand Coverage

OW0102102594 Urumqi XINJIANG RIBAO in Chinese 20 Jan 94 p 2

[Text] To further increase this newspaper's authoritativeness and applicability and to make it more readable, XINJIANG RIBAO will adjust a part of the paper's layout in the New Year.

With the approval of the Propaganda Department of the Xinjiang Autonomous Regional CPC Committee and the autonomous region's press and publications bureau, this year's XINJIANG RIBAO (Chinese edition) will be published in eight pages on Wednesdays and Saturdays. The expanded portion will be published in the form of "LIVING GUIDANCE, [shenghuo dao bao, 3932 3172 1418 1032]" and every effort will be made to enable it to cover Xinjiang's economic life, social life, family life, and cultural life, so that it can truly reflect life in Xinjiang, serve people's needs, provide guidance for people's daily life, and make our lives better.

The "LIVING GUIDANCE" will be published as XINJIANG RIBAO's expanded edition and will be published and distributed along with XINJIANG RIBAO. However, it can be separately subscribed to and sold.

Xinjiang Autonomous Region To Boost Tourism

OW0102071094 Beijing XINHUA in English 0629 GMT 1 Feb 94

[Text] Urumqi, February 1 (XINHUA)—Northwest China's Xinjiang Uygur Autonomous Region will make greater efforts to boost tourism this year.

Local officials said that they hoped for a 12 percent growth in both the number of tourists and earnings from tourism services.

To realize this target the autonomous region will launch at least three major tourism routes under the national program of "1994 Cultural Relics and Historic Sites Tours," and start some new tourism programs with special features, such as desert expedition and rafting on rivers addition to eight international tourism and trade fairs.

Statistics show that Xinjiang received about 240,000 overseas tourists and earned 40.02 million U.S. dollars from relevant services last year.

The famous "Silk Road," which used to serve as a major channel for conducting exchanges between China and countries in western Asia and Europe, is in the region.

The opening of 14 Chinese border cities has presented Xinjiang with more opportunities for developing tourism, said the officials.

Xinjiang's strategy is also to combine tourism with trade. From July 1991 to the present, nearly 300,000 people from Pakistan, Mongolia and the Commonwealth of Independent States came to Xinjiang on shopping tours.

Xinjiang Teacher Urges Payment of Overdue Pay

OW0102103694 Urumqi XINJIANG RIBAO in Chinese
21 Jan 94 p 1

[Article by Liu Weiping of Urumqi's First Secondary School of the Xinjiang Production and Construction Corps]

[Text] Over the last few years, holding back teachers' wages has been very common, and this also has been the case in Xinjiang. According to a friend of mine who works at a farm of the Xinjiang Production and Construction Corps, they have not received their wages for

more than 10 months, making their lives very difficult. Although the government has called for issuing overdue wages before New Year's day, many localities have not or have not thoroughly solved the problem. Education is the underlying requirement for building the country and teachers are the key to promoting education. To promote education, first we should assure teachers of the basic needs for their daily lives and ensure that they can concentrate on their work. Without feeding a horse, how can you ask it to run? With an empty stomach, how can a teacher teach? We have been shouting for enhancing teachers status but little has really been done. I feel sad.

With the Spring Festival around the corner, we earnestly hope the "Teachers Law" will be conscientiously carried out and leaders at all levels will regard issuing teachers overdue pay as an important matter so that teachers can enjoy a happy and prosperous Spring Festival.

Mainland, Taiwan Officials Hold Meetings in Beijing

Reaffirm Pact on Plane Hijackers

OW0102145794 Beijing XINHUA in English 1431 GMT 1 Feb 94

[Text] Beijing, February 1 (XINHUA)—Both the Taiwan-based Straits Exchange Foundation (SEF) and the Association of Relations across the Taiwan Strait (ARATS) of the mainland reiterated that, in principle, all hijackers should be repatriated, Tang Shubei, executive vice-president of ARATS said here today.

Tang held the first meeting this afternoon with Chiao Jen-ho, vice-chairman and secretary general of SEF, who arrived in Beijing yesterday. Their meeting lasted two hours.

The two organizations also agreed that issues concerning economic exchanges between the two sides across the Taiwan Strait should be put on the agenda, Tang said at a press conference right after his meeting with Chiao.

According to Tang, they reached understanding on two important issues. First, being two authorized non-governmental organizations, the two organs will continue to insist on the unofficial nature of their agreements. Secondly, neither side should force upon the other its political viewpoint through discussions of such issues as "repatriation of hijackers", in other words, political viewpoint of one side should not be included in agreements of the two sides.

He said that the understanding would contribute to the discussion of the issue of the repatriation of hijackers.

Both sides regarded the framework for a repatriation agreement the two organizations reached in Taipei as a positive beginning. The remaining issue of literal expression should be resolved on its basis, Tang said.

"We should avoid sensitive political issues and search for methods of literal expression acceptable to both sides," Tang said.

He said that some progress has been made on the issue during their previous talks in Xiamen and Taipei last year. He believed that it is absolutely possible to solve the divergence on the issue with efforts from both sides.

Tang said that ARATS, as a non-governmental organization, was not empowered to discuss such political issues as "judicial administration right" and such issues should be avoided in the discussions.

Tang said that avoiding the issue is not a matter of disrespect, because he is not authorized to discuss the issue.

Now that both sides should avoid sensitive political issues in discussing routine affairs, legal issues no doubt should not be excluded, Tang said.

He said that the two organs have decided to set up two groups to discuss routine affairs and some issues concerning economic exchanges.

According to Tang Shubei, the Chinese Mainland has drafted a law to protect Taiwan investment, which will be submitted to the National People's Congress for deliberation.

"We hope that Taiwan may consider the opinions of the mainland on the basis of mutual benefit," Tang said.

Tang said that Taiwan should cancel restrictions on making investment in the mainland and open its market for manufactured or partially-manufactured goods of the mainland and the labor market.

Tang said that the possibility of a non-governmental agreement on such issues between ARATS and SEF is not excluded.

Hold Talks on Implementing Accords

OW0202120694 Beijing XINHUA Domestic Service in Chinese 1330 GMT 1 Feb 94

[By reporters Fan Liqing (5400 7787 7230) and Fang Jin (2455 3866)]

[Text] Beijing, 1 Feb (XINHUA)—Discussions between responsible individuals from the Association for Relations Across the Taiwan Strait [ARATS] and Taiwan's Straits Exchange Foundation [SEF] on implementing the agreements of the "Wang-Gu talks" were held in Beijing today. ARATS Executive Vice Chairman Tang Shubei and ARATS Vice Chairman and Secretary General Zou Zhekai held the first round of talks with SEF Vice Chairman and Secretary General Jiao Renhe [Chiao Jen-ho] at the Diaoyutai Guesthouse this afternoon.

Prior to the talks, Tang Shubei noted: Since we successfully held the "Wang-Gu talks" and signed agreements, the two organizations have made some progress in implementing the agreements. During Mr. Jiao Renhe's visit to Beijing, both sides will exchange views on implementing the agreements. This is an excellent opportunity. Jiao Renhe also indicated: According to the "Agreement on Establishing a System of Making Contacts and Holding Talks Between the Two Organizations" signed during the "Wang-Gu talks," the vice chairmen or secretaries general of the two organizations will, in principle, meet and hold talks once every six months. The time for doing so has passed. Coordination between the two organizations for implementing the agreements has been largely good over the past nine months. During the current talks, we will exchange views on better implementing the agreements.

After the talks, Tang Shubei and Jiao Renhe gave separate briefings on the talks and answered reporters' questions. Tang Shubei said that during today's discussions, he first forwarded ARATS Chairman Wang Daohan's letter to SEF Chairman Gu Zhenfu [Ku Chen-fu], in which the former invited the latter to visit the mainland

this year. Afterward, the two sides exchanged views on progress in implementing the agreements of the "Wang-Gu talks" over the past six months or so. They also discussed current conceptual issues affecting progress in discussions on affairs of a routine nature between the two organizations.

Tang Shubei said: During the discussions, both sides reiterated that in principle, airplane hijackers should be repatriated without exception. The framework of the agreement on repatriating airplane hijackers, reached by the two sides during their discussions in Taipei, is good. Both sides also agreed that in handling matters relating to agreements, the two nongovernmental organizations should follow the principle of "stressing the nongovernmental and routine nature," eschew politically sensitive issues, and refrain from imposing their political demands on each other. This is because the two organizations are cooperating amid political differences between the two sides. It takes time to solve these political differences. Therefore, we should shun politically sensitive issues.

Tang Shubei said: "Mr. Jiao and I share the feeling that we should place on our agenda the economic topics specified in the joint agreements of the 'Wang-Gu talks.' We should hold early discussions on better protection of Taiwan businessmen's investments on the mainland, cross-strait joint development of energy and resources, and scientific and technological exchanges. With the consent of their leaders, the two organizations should also jointly hold a meeting on people-to-people economic exchanges at the earliest possible date." Regarding economic topics, Jiao Renhe proposed signing an agreement on protecting Taiwan businessmen's investments. Tang Shubei indicated: By taking account of Taiwan businessmen's views and bearing in mind its own actual conditions, the mainland has drafted the "Law on Protecting the Investments of Taiwan Compatriots" and forwarded it to the National People's Congress Standing Committee for examination and approval. In accordance with the principle of reciprocity and mutual benefit in cross-strait exchanges, we hope that Taiwan will lift restrictions banning Taiwan businessmen from investing on the mainland, initiate cross-strait cooperation in labor services, and ease restrictions on access to Taiwan for mainland goods. In the spirit of adopting active measures on both sides and protecting Taiwan businessmen's rights and interests, we do not exclude the possibility of the two sides signing nongovernmental agreements in the future.

During the talks, Jiao Renhe noted: The two organizations have been in rather close contact over the past year, assisting each other in solving quite a few difficulties encountered by people on both sides of the Taiwan strait. Regarding the use and verification of notarial certificates, the two sides have exchanged approximately 20,000 notarial certificates. They have exchanged more than 350,000 letters since registered mail services were initiated. The scale, range, and level of cross-strait cultural and educational exchanges are being expanded and

upgraded with each passing day; this is a heartening sign. The SEF hopes to gradually establish order in cross-strait people-to-people exchanges on the basis of mutual respect and cooperation.

The talks this afternoon lasted for two hours.

In the morning, Jiao Renhe and his entourage toured the Biyun Temple at Xiangshan and paid homage at Dr. Sun Yat-sen's cenotaph.

ARATS Official Offers Invite

OW0102133594 Beijing XINHUA in English 1324
GMT 1 Feb 94

[Text] Beijing, February 1 (XINHUA)—Wang Daohan, president of the Association for Relations Across the Taiwan Strait (ARATS) of the Chinese Mainland, and Ku Chen-fu, chairman of the Straits Exchange Foundation (SEF) of Taiwan, are expected to meet again this year.

Wang has written Ku a letter inviting him to visit the mainland later this spring or early this summer.

Tang Shubei, vice executive president of ARATS, on behalf of Wang passed the letter on to Chiao Jen-ho, vice-chairman and secretary-general of SEF, at the beginning of today's meeting between top officials of the two authorized non-government intermediary organizations.

The first meeting between Wang and Ku was held in Singapore on April 27-29 last year, where they reached several agreements on a few issues concerning relations between the two sides. They also reached the understanding that they will meet once a year.

Tang said after today's meeting that the time for Ku's visit will be scheduled in accordance with SEF's arrangements and at Ku's convenience.

Commentary Hopes ARATS-SEF Talks Yield Results

OW0102143294 Beijing Central People's Radio in
Mandarin to Taiwan 2200 GMT 31 Jan 94

[From the "News and Current Events" program]

[Text] Mr. Chiao Jen-ho, vice chairman and secretary general of Taiwan's Strait Exchange Foundation [SEF], and his party arrived in Beijing on 31 January to hold talks with Tang Shubei, executive vice president of the Association for Relations Across the Taiwan Strait [ARATS]. (Yin Xin,) an editor of this station, wrote a news commentary about the talks: "We Hope the Tang-Chiao Talks Will Yield Positive Results." The following is the commentary, read by Wen Liang:

The Tang Shubei-Chiao Jen-ho talks will be held in Beijing 1-4 February. The current talks are the fourth ones between ARATS and SEF following the successful Wang-Ku talks in Singapore in April last year. The

current talks are being held to discuss the full implementation of the agreements signed at the Wang-Ku talks. At the previous three rounds of ARATS-SEF talks—the first was held at the end of August last year in Beijing, the second in early October last year in Xiamen, and the third in mid-December in Taipei—the two sides discussed issues concerning the repatriation of plane hijackers, civil disputes, repatriation of personnel, and the procedures for the exchange of visits by ARATS and SEF personnel. At these rounds of talks, the two sides also exchanged views on Taiwan investors' rights and interests on the mainland and related problems, as well as on the exchange of visits by businessmen on the two sides of the strait. Some common understanding was reached between the two sides on these issues, laying a foundation for work consultations between the two sides.

According to an agreement reached at the Wang-Ku talks, in principle, the executive vice president of ARATS and the vice chairman of SEF, or the secretaries general of the two organizations, will hold talks every six months on the two organizations' work, alternately on one side of the strait or in a third place agreed on by the two sides. On 20 November last year, ARATS invited Chiao Jen-ho, who just took office as vice chairman and secretary general of SEF, to visit Beijing to discuss the two organizations' work. At that meeting, the two sides also decided that the third work meeting between ARATS and SEF would be held in Taipei. The SEF also twice invited Tang Shubei to visit Taiwan. Regrettably, Chiao Jen-ho's invitation for Tang Shubei to visit Taiwan was not carried out reportedly because an agreement was not reached at the Taipei talks. Later, ARATS and SEF formally decided that Tang Shubei and Chiao Jen-ho would meet in Beijing at the end of January this year. However, Taiwan again deliberately created obstacles to the meeting, going so far as to say that China and France signing a joint communique in which France guarantees that it will not sell arms to Taiwan and China's restoring diplomatic relations with Lesotho were unfriendly acts of the mainland toward Taiwan, and declared that it would reassess the Tang-Chiao talks. There was a public outcry in Taiwan over the matter, saying Taiwan's such emotional display put people at a loss and perplexed the public. Under the pressure of Taiwan's public opinion, Taiwan's Mainland Affairs Committee finally decided that the Tang-Chiao talks would be held in Beijing as scheduled.

The open contacts and regular meetings to discuss matters of interest between the only nongovernment organs authorized by the governments of the two sides of the strait are a historically important step in the development of cross-strait relations over the past 40 years and more. The great significance and far-reaching effects of the development have made it a major event that people on the two sides of the strait as well as the international community have been concerned about. We should treasure this hard-won result. To create a cooperative atmosphere between the two sides, they should do everything they can to reduce all kinds of disturbances in the

process of communicating with each other. Now that Taiwan's Mainland Affairs Committee has agreed to let Chiao Jen-ho go to Beijing to meet Tang Shubei as scheduled, it should endeavor to enable the talks to yield positive results, with the aim to bring about a virtuous cycle of development of the cross-strait relations.

There is no need for reticence. Currently some political differences still exist between the two sides of the strait, and these differences cannot be ironed out for the time being. But, as long as the two sides work to increase exchanges and contacts and as long as high-level responsible persons of the two sides maintain regular contacts and communications, dismiss their misunderstandings, deepen their mutual understanding, and continue to increase their common understanding, we believe that Chinese people's own affairs will be settled sooner or later.

Mainland, Taiwan Experts on Securities Attend Meeting

OW0202115894 Beijing XINHUA in English 1050 GMT 2 Feb 94

[Text] Changsha, February 2 (XINHUA)—Experts on securities from the two sides of the Taiwan Strait met here recently at a symposium on the securities market.

More than 100 representatives from the financial and higher education sectors of the two sides took part in the symposium, sponsored by the mainland-based Central-South China Engineering University, and held here in the provincial capital of central China's Hunan Province.

Participants discussed some major issues of the construction of stock markets, management of securities companies and the development of financial futures.

They also exchanged opinions about the current situation, characteristics and development trends both of Chinese and international securities markets.

The sponsors said that they held the symposium in a bid to sum up the experiences of the mainland and learn from the successful experiences of Taiwan in developing the securities markets as well as to enhance the understanding, exchange and cooperation between the sectors of finance and industry of the two sides.

White Paper Urging 'Two Countries, Two Systems' Criticized

HK0202102994 Beijing FAZHI RIBAO in Chinese 16 Jan 94 p 4

["Political Forum": "It Goes Against Legal Principle To Advocate 'Two Countries, Two Systems'"]

[Text] Last December, 23 Taiwan organizations including the Taiwan Presbyterian Church issued a so-called white paper on "Peaceful Coexistence of Two Countries, Two Systems." To express the so-called

"aspirations of the Taiwan people," they also wanted to deliver the white paper to members of the mainland's Associations for Relations Across the Taiwan Strait who went to Taiwan to hold talks with the Taiwan's Straits Exchange Foundation.

Regarding the two sides of the strait as "two countries," the "white paper" said: "The two countries must respect each other's sovereignty and territorial integrity, refrain from invading each other, treat each other as equals, benefit each other, and establish normal diplomatic relations," and so on and so forth.

Obviously, this is a farce instigated by a handful of "Taiwan independence" elements who have made use of the "nongovernmental organizations" to attempt to split the nation under the banner of "Taiwan people deciding for themselves."

In reply to reporters' questions in Seattle last year, State President Jiang Zemin emphatically pointed out: China means the PRC, and Taiwan is a province of China. In a white paper entitled "The Taiwan Issue and China's Reunification," which was published on 31 August last year, the Chinese Government systematically and in great detail expounded the Chinese Government's principled stand and basic principle and policies on the Taiwan issue. It was firmly opposed to any words and deeds aimed at splitting state sovereignty and territorial integrity.

With the founding of the PRC in 1949, the old regime's ruling power over China as a whole was replaced. There was a succession of governments. The succession did not bring about any changes in China's territory and Taiwan is still an inalienable part of China's sacred territory.

The present state of affairs between the two sides of the strait constitutes only a split of jurisdiction; the sovereignty is still that of a unified state.

This fact is not only confirmed by the international law, but is also a common understanding of the people of the whole China.

In ancient China, over the past thousands of years there have always been three factors in the founding of a state, namely "territory, sovereignty, and people." In its history, wars on the Chinese territory have created chaos, and there have been many regimes. In spite of this, there have never been "several Chinas" as a result of "sovereign states not subordinated to one another." It is sheer daydreaming on the part of a small handful of "Taiwan independence" elements to attempt to found another "sovereign state" on the Chinese territory of Taiwan.

As a commentary of SHIH-CHIEH LUN-TAN PAO [WORLD TRIBUNE] in Taiwan pointed out: To pursue their own selfish interests, these people have willfully trampled upon the dignity of the "Taiwan people" in the face of the people of the world as if it was a joke. They are indeed guilty of the most heinous crimes and make all "Taiwan people" feel ashamed!

From the overall political and economic situation of the world, we can discover that all separated countries belonging to a nation will eventually be reunified.

The compatriots on both sides of the strait come from the same roots and origin. Our spoken and written language, customs, and blood relationships can be traced to the same origins. There is no reason whatsoever to be separated for a long time. Regarding themselves as Chinese, all the people on both sides of the strait need only one China. The "Taiwan independence" elements, however, do not recognize themselves as Chinese, and they vainly try to cut away a piece of Chinese territory and found another state. How can the 1.2 billion people of China, including Taiwan, sit by idly and remain indifferent?

The "Taiwan independence" elements vilify the Chinese people's consistent stand on safeguarding state reunification and territorial integrity as a "distortion of the international law and international treaties" and, at the same time, describe their attempt to split the country as a "principle of modern international law." Their so-called "principle of modern international law" means allowing this scum of the nation, out of their selfish interests, to willfully cut a piece of land from a sovereign state and found another state.

Even some democratic countries in the West will never tolerate this open act of splitting state sovereignty. Just think. It would be strange if some people would not be immediately condemned if they attempt to found another country in a U.S. state.

According to the white paper, which advocates "two countries, two systems," "it is necessary for Taiwan to join the United Nations and other international organizations as soon as possible." This is only daydreaming. In 1971 the UN General Assembly overwhelmingly passed Resolution 2758, "recognizing the PRC as the only legitimate representative of China in UN organizations" and stating that, as a part of China, Taiwan is not qualified to "join the United Nations." This is something known to all. In whatever name Taiwan joins the United Nations, it is tantamount to creating "two Chinas" or "one China, one Taiwan." This is absolutely out of keeping with the principle of China's reunification.

Since state reunification is the common aspiration of the people on both sides of the strait, the Taiwan independence forces on the island should not play with the fire of the principled issue of state reunification or they will have only themselves to blame.

Hainan Experiences Rapid Growth in Taiwan Investment

HK0102004894 Beijing ZHONGGUO XINWEN SHE
in Chinese 0602 GMT 26 Jan 94

[By correspondent Gu Shihong (7357 2514 1347)]

[Text] Haikou, 26 Jan (ZHONGGUO XINWEN SHE)—This reporter learned from a conference convened here a few days ago that there has been a rapid and sharp growth in Taiwan investment in Hainan.

Statistics show that by the end of last year, Hainan Province had approved 902 Taiwan-invested projects worth \$961 million in total contractual amount, \$769 million of which was financed by Taiwan capital. Of the 902 Taiwan-invested projects, 397 were registered last year, accounting for \$482 million in total contractual investment, respectively up 21 percent and 32 percent from a year earlier. Taiwan capital currently accounts for 10.2 of Hainan's total foreign investment, second only to Hong Kong.

According to concerned departments, Taiwan investment in Hainan displays the following characteristics:

—Gradual increases in investment every year and an increasingly faster rate of development. Statistics at the end of 1988 show that province-wide there were only 11 approved Taiwan-capital enterprises, with \$5.94 million in total contractual investment. The number was increased annually and by 1992, the growth rate was such that there were 267 and 418

percent increases respectively in Taiwan-capital enterprises and total contractual investment from the previous year.

—A rising proportion for firms exclusively funded by Taiwan capital. There are 706 such firms in Hainan's 902 Taiwan-invested firms, 3.6 times the number of joint-venture and cooperation enterprises.

—Taiwan businessmen invest more in industrial projects and maintain a rational industrial structure. Of these, tourist and property investment ranks first, accounting for about half of Taiwan investment, while industrial and agricultural projects account for 32 and 10 percent respectively. Together they account for over 90 percent.

Officials at the Hainan Provincial Taiwan Affairs Office said the province will increase its efforts to attract Taiwan capital and investment, work vigorously to get Taiwan businesses to launch a few large-scale projects in the agricultural, tourist, high-tech, and mining sectors, encourage one or two Taiwan-capital banks or non-financial [fei jin rong 7236 6855 5816] institutions to set up their base in Hainan, and call a "Seminar on Hainan-Taiwan Economic and Financial Development" this March.

DPP Looks To Forge Closer Ties With Business Community

OW0102085294 Taipei CNA in English 0722 GMT
1 Feb 94

[By S. C. Tsai]

[Text] Taipei, Feb. 1 (CNA)—Shih Ming-teh, chairman of the opposition Democratic Progressive Party (DPP), Tuesday [1 February] pledged that the party would strengthen cooperation with Taiwan's business community.

During a breakfast meeting with senior business executives on the 1994 economic outlook, Shih said a series of similar meetings will be held to promote understanding between the DPP and the domestic business circle.

More than 20 business executives were present at the Tuesday meeting, while the DPP was represented by Shih, chairman Yang Huang Mei-hsing of the foreign affairs department, chairman Chiang Peng-chien of the China Affairs Committee, and legislators S. P. Chen, P.H. Peng, F. H. Shen, and T.T. Hsu.

Chang Kuo-an, chairman of the Fengchun Group, expressed the hope that lawmakers of the major opposition party will help revise outdated rules and regulations to cope with the economic development vital to Taiwan's future.

The statement was echoed by Chen Sheng-tien, chairman of the Sampo Group. Chen said lawmakers must monitor the executive branch with a view to improving executive efficiency.

Two major problems now facing the Taiwan economy are how to create wealth and the equitable distribution of wealth, Chen added.

On Taiwan's policy toward investment in Mainland China, Hsu Hsien-jung, president of Prince Motors Co., Ltd., pointed out that the government should map out a set of workable measures for the private sector to follow. "It's a trend that domestic enterprises will increase investments in Mainland China," he noted.

Moreover, Hsu stressed, the government should set a timetable for further financial liberalization in its ambition to build Taiwan as an Asia-Pacific business operations center.

Liu Tai-ying, chairman of the China Development Corp., however, said he saw nothing in the DPP's industrial policy. "I don't understand its attitude toward trade ties across the Taiwan Strait," he added. Liu is

concurrently chairman of the ruling Kuomintang's enterprises management committee.

Shih said after the meeting that the party is not anti-business and any such impression is a mistake.

To enhance understanding between the party and private enterprises, similar meetings will also be held in central and southern Taiwan, he noted.

APEC Energy Seminar Opens in Taipei

OW0202091394 Taipei CNA in English 0716 GMT
2 Feb 94

[By Y. C. Tsai]

[Text] Taipei, Feb. 2 (CNA)—The 1994 energy research & development and technology transfer seminar of the Asia-Pacific Economic Cooperation (APEC) forum opened at the Taipei International Convention Center Wednesday [2 February].

More than 180 industry, academic, and government representatives from 17 APEC member countries are taking part in the two-day energy seminar.

Discussions focus on three main areas—"technology to convert wastes into energy sources," "efficient energy utilization technology in urban areas," and "the effective utilization of energy for the creation of improved amenities."

This is the first time that Taiwan has hosted an APEC seminar since it joined the regional organization in 1991. The energy seminar is co-sponsored by the Ministry of Economic Affairs and Japan's Ministry of International Trade and Industry.

Addressing the opening ceremony on behalf of Economic Affairs Minister P.K. Chiang, Vice Economic Affairs Minister Sheu Ke-sheng expressed the hope that this seminar and other similar gatherings will help strengthen cooperation among APEC members on energy conservation and efficiency improvement.

The Asia-Pacific region, which had the world's fastest economic growth over the past decade, still faces the challenge of solving the "3e" problems of energy, economics, and environment, Sheu said.

It is therefore most appropriate that "new and efficient energy technology to create a safe, clean, and comfortable environment for the next decade" has been chosen as the main theme of the forum, he explained.

In Taiwan, he noted, the government is also plagued with "the emerging problems in energy demand and their environmentally unfriendly potential, both locally and internationally."

In addition to increased domestic reserach in new energies, waste management, and efficiency upgrading, Taiwan has also initiated "research programs, that take on a more universal significance, in carbon dioxide omission control and alternative refrigerants," he pointed out.

APEC, founded in 1989, groups Australia, Brunei, Canada, Mainland China, Hong Kong, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, South Korea, Taiwan, Thailand, the United States, Papua New Guinea, and Mexico.

Hong Kong

PRC Reshuffles Officials in Charge of Hong Kong Affairs

HK0202070994 Hong Kong EASTERN EXPRESS in English 2 Feb 94 p 8

[By Carol Pui-ye Lai]

[Text] Beijing is reshuffling senior officials in charge of Hong Kong affairs in an effort to secure a balance of power among competing factions and ensure a smooth transition in 1997. Zhou Zhekai, secretary general of the Association for Relations Across the Taiwan Strait, will replace Lin Keping as head of the co-ordination department of the Hong Kong branch of the New China News Agency (Xinhua), Beijing's de facto embassy here, according to sources.

Zhou will be in charge of "united front work", which means liaison and control of "friendly" local organisations in the territory. Lin, who came to Hong Kong to replace Yang Sing in 1990, is expected to retire. Zhou Zhekai, who is in his early forties, is a protégé of Wang Zhaoguo, a rising party leader who heads the party's United Front Work Department in Beijing. Zhou plays a key role in cross-strait negotiations with Taiwan. This week, he is hosting a round of "unofficial" talks with his Taiwan counterparts.

Zhou worked with Wang in Fujian Province in the late 1980s, then moved with his mentor to Beijing when Wang became head of the party's Central Office for Taiwan Affairs. As a Taiwan affairs expert, Zhou poses a potential threat to Wang Zhenyu, the head of Xinhua's Taiwan affairs office.

A reshuffle is also under way within the State Council's Hong Kong and Macao Affairs Office (HKMAO). Though not yet officially announced, this could be the most significant shake-up since 1990, at the time of the promulgation of the Basic Law for the Hong Kong Special Administrative Region. In 1990, Ji Pengfei and Li Hou, director and deputy director of the HKMAO, retired to make way for Lu Ping and other middle-aged cadres. This time, Wang Fengchao will be made a deputy director, replacing Wang Qiren, who has been named president of the Bank of China.

Wang's appointment suggested an attempt to maintain a balance of power among competing factions, sources said. Wang is considered relatively moderate compared to Chen Ziyang, the other deputy director, who is in charge of foreign affairs and negotiations with Britain over the new airport at Chek Lap Kok. But his appointment does not necessarily mean that Beijing will modify its hard-line stance on Hong Kong.

Wang's responsibilities will include negotiations on political reforms and preparatory work leading up to the 1997 transition. He was previously a deputy director of the Institute of Journalism at the Chinese Academy of

Social Science, but he became involved in policymaking on Hong Kong and Macao affairs during the late 1980s and participated in last year's Sino-Hong Kong talks on political reform.

His wife, Lei Yuping, deputy chief of the All China Journalists' Association, is in charge of dealing with Hong Kong and Taiwan journalists in Beijing. Her father, Lei Yingfu, accompanied the then Chinese Communist Party leader, Zhou Enlai, during the 1946 negotiations with the Kuomintang in Chongqing.

In addition to Wang, three young cadres educated in Guangdong in the early 1980s are due to receive promotions. Chen Zuoer, a department head at the HKMAO, will replace Luo Jiahuan on the Sino-British Joint Liaison Group in Hong Kong, sources in Beijing said.

Chen Guangming, also a department head, will be transferred to the Taiwan Affairs Office of Guangdong province, clearing the way for a promotion for his deputy, Xe Ze, who was Lu Ping's assistant during the drafting of the Basic Law.

Zheng Liandong, who was involved in drafting the Basic Law, will also be promoted. In 1990, Zheng was sent to Hong Kong to join the Chinese team of the JLG as first secretary and later studied in Britain for one year. Guo Fengmin, leader of the Chinese side in the JLG, is expected to retire soon. He will be replaced by Zhao Jihua, director of the separate Foreign Ministry office handling Hong Kong and Macao affairs.

Executive Council Endorses New Proposal for Airport Funding

HK0202053494 Hong Kong SOUTH CHINA MORNING POST in English 2 Feb 94 p 1

[By So Lai-Fun]

[Text] There were positive signs from China yesterday regarding a British offer to substantially raise the amount of capital to be injected into the Chek Lap Kok airport and its associated railway. The offer to pump more than \$60 billion into the Provisional Airport Authority and the Mass Transit Railway Corporation to facilitate an early agreement with Beijing on the projects was endorsed by the Executive Council [Exco] yesterday.

Details of the multi-billion-dollar bid to kick-start the vast infrastructure plan were revealed exclusively in the South China Morning Post. Governor Chris Patten said the new offer, discussed during a three-hour session of Exco, would address all Chinese concerns, given the healthy state of Hong Kong's reserves. "I hope that (China) would find this an excellent Lunar New Year present for Hong Kong, for China, for everyone," Mr Patten said.

Chinese sources welcomed the prospect of a much bigger level of capital investment in the two corporations by the Government and a Hong Kong affairs adviser, Tsang

Yok-shing, added a note of optimism. Mr Tsang returned from Beijing after presenting Chinese officials with proposals from the Democratic Alliance for the Betterment of Hong Kong that require the territory to inject \$90 billion of the \$99.2 billion total cost of the two projects. Mr Tsang, alliance chairman, said he believed that if Britain agreed to raise the level of capital investment and sought consultation with China for any borrowings by the two corporations exceeding \$5 billion, the airport financing problem could be resolved.

A mainland official stressed that China remained flexible on the amount of capital injection although it insisted that the overall financing arrangements should be considered as a package. Noting that China was always flexible on the level of government fundings, he said: "The British side should at least explain to us why they could not accept our proposal.

"There should not be any different understandings over the definition of government borrowings... That's what we have discussed all the way after the signing of the Memorandum of Understanding on the airport," the official said. He said the land issue was also negotiable as China was flexible on whether it would allow the 62 hectares of airport railway land to be counted outside the annual land disposal quota of 50 hectares. However, the official stressed that the Airport Consultative Committee should be given a more important role to monitor the costs of the whole programme.

Mr Patten said the Government would pass the new proposal to the Chinese side as soon as possible and he would like to see an early meeting of the Joint Liaison Group Airport Committee. But the increase in capital injection is understood to be contingent on China allowing the 62 hectares of land along the airport railway to be counted separately from the 50 hectares sold by the territory every year under Annex Three of the Joint Declaration.

XINHUA Reacts to Proposal

HK0202070794 Hong Kong *EASTERN EXPRESS* in English 2 Feb 94 p 2

[By Rain Ren and Wing Kay Po: "Mainland No To Funds for Airport"]

[Text] China has rejected the Government's latest airport funding proposals despite enormous concessions offered by the administration. A New China News Agency (Xinhua) official has snubbed the offer on the grounds that it falls short of China's demands. The Xinhua official said Beijing still insists that the maximum debts for the Special Administrative Region (SAR) government should not exceed \$20bn. The latest funding proposals would leave the SAR government between \$20bn and \$30bn in debt.

The official maintained that the Government is still breaking the Memorandum of Understanding which stipulates that Government borrowing should not exceed

\$5bn without China's blessing. The Executive Council yesterday approved a new funding proposal which involves an equity injection of about \$60bn into the Provisional Airport Authority and the Mass Transit Railway Corporation.

China has been angered further by the Governor, Chris Patten, calling the concessions a "new year present". The official, obviously upset by the Governor's remarks, said: "It is not his present. The money belongs to Hong Kong people."

There was an indication that China may be willing to soften its stand, despite its initial harsh reaction to the proposals. The Xinhua official welcomed the Government's overtures, hinting Beijing may be willing to negotiate on the latest offer at a reconvened airport committee meeting. There has been no airport committee meeting under the Joint Liaison Group since last August. Beijing may also be willing to be more flexible on the sale of land along the airport railway.

A spokesman from the Chinese side of the Sino-British Land Commission was cautious in his reaction. "The disposition of the airport-related land is part of the overall funding package of the new airport," he said. As long as the Government can assure China that the 62 hectares of land over the airport rail link stations will be sold in phases over the next three years, Beijing would not insist that it should be included in the annual land sale programme.

China's official reaction has been echoed by Tam Yiu-chung, a Pro-China legislator and the chairman of the Democratic Alliance for the Betterment of Hong Kong (DAB). He said that the Government's proposal would still not satisfy China. "Sixty billion might sound a lot, but it's only \$15bn more than the Government had already agreed to inject into the airport in its last proposal," he said. DAB proposed last week that the Government provide a total of \$89.2bn for the \$99.2bn airport and related railway project.

The Government is likely to face an uphill battle in getting Legislative Council support for the new airport funding proposals. The United Democrats' spokesman on the airport, Albert Chan, said his party will not accept a \$60bn equity injection into the airport unless the proceeds from land sales are included. Chan said that this equity should not come entirely from the Hong Kong government, but also from the SAR government. Chan said that he felt that China's demands were "unreasonable" and that the Government had been "weak" in complying with China's wishes.

Howard Young, a Liberal Party legislator, said his party would only approve a financial package affordable to Hong Kong. "We will examine very carefully if the amount of equity injection would have an adverse impact on social expenditure and public works," Young said. "We'll look at any plan in the context of Hong Kong's overall financial situation, its surpluses and reserves," he added.

Editorial Urges Action To Complete Airport Project

HK0202071194 Hong Kong *EASTERN EXPRESS* in English 2 Feb 94 p 18

[Editorial: "Stop the Talking, Finish the Airport"]

[Text] It is hard to find more than a handful of people in Hong Kong who do not believe the territory needs a new airport. It is equally hard to see any light at the end of the tunnel during Sino-British negotiations on the building of the Chek Lap Kok airport. The simple fact of the matter is that the airborne conveyance of passengers and cargo has become a political football.

The Hong Kong Government is poised to make yet another offer to the Chinese government designed to quell its anxieties on the accumulation of public debt for the purpose of building the airport. Slamming billions of dollars down on the negotiating table in the hope of securing a deal, the government is effectively undermining all its original plans for the project.

In 1989, when then Governor David Wilson announced the plan for the new airport, he solemnly assured the public it would be largely financed by the private sector and would be open for business in 1997.

Now it is clear that the bulk of the funding will come from the public purse and it seems increasingly unlikely that a single aircraft will brush its wheels along the carefully levelled runway in 1997.

Large scale private financing has been virtually ruled out by China's insistence that capital should be collected without the subsequent accumulation of debt. With no guarantee of Chinese support, raising funds in the private sector is near impossible. Steadily the Government has moved to satisfy China's demanding fiscal requirements, but to no avail. In desperation Governor Chris Patten cries out for "China to take yes for an answer" in responding to British offers on airport financing. However, Patten and everybody else knows that the Chinese government will not take yes for answer because it is asking a different question. Put bluntly, the airport is being held hostage to the wider political dispute about the extension of representative government in Hong Kong. Until that matter is settled it is highly unlikely that other matters of substance will come close to a settlement.

Even though this is widely known by the British, Hong Kong and Chinese governments, they plunge merrily through the charade of pretending they are talking about the airport when it is obvious that they have a completely different agenda.

In 1991 the British Prime Minister, John Major, dispatched his special envoy Sir Percy Cradock to hold secret talks in Beijing aimed at breaking the impasse. Sir Percy returned triumphant, at least this was his version of events.

Clasping a scrap of paper called the Memorandum of Understanding, Britain and China declared that an agreement had been reached. Sir Percy, on Britain's behalf secured this so-called agreement by the simple expedient of saying yes to everything China asked for. Yet, today, it is palpably clear that the agreement was hardly worth the paper it was printed on. There can be no agreements on anything of substance while Sino-British relations remain at their current low point. It is a cruel deception to pretend otherwise.

The duty of all governments concerned is to acknowledge this reality and decide how they should move forward without hypocrisy.

In the case of the airport this means proceeding with the project on public funds until such a time that the general atmosphere in relations improves. If it does not and the drain on resources becomes too onerous, the Government will have to stop building and leave it to the incoming administration to complete the job. At any rate let's get a move on. The solution we suggest is far from satisfactory but much closer to reality than anything we have heard emanating from so-called Sino-British negotiations.

The likelihood is that the airport will open after the Hong Kong Special Administrative Region is established. The British may feel cheated that their biggest monument will not be blessed by the outgoing sovereign power, the Chinese may be rubbing their hands with glee at the prospect.

For Hong Kong it does not matter who opens the wretched airport, be it in June 1997 or July, after the takeover. The important thing is that it opens soon.

Authorities Smash Triad Drug Syndicate in 'Major Coup'

HK0202053694 Hong Kong *SOUTH CHINA MORNING POST* in English 2 Feb 94 p 7

[By Hedley Thomas]

[Text] A Hong Kong triad syndicate allied with mainland criminals in the manufacture and distribution of the synthetic drug "ice" has been smashed in what authorities describe as a major coup. A makeshift laboratory used to make the haul of about 22 kilograms of pure ice was discovered during raids by more than 40 officers from the Narcotics Bureau and the Independent Commission Against Corruption (ICAC). Two boys aged about 10 were delivered into the care of the Social Welfare Department yesterday after officers found them living in a Sha Tin flat used by members of the 14K Yee triad to manufacture and store the drugs.

"This is the first ice manufacturing case in Hong Kong for 17 years and the second largest seizure ever made," said Detective Chief Inspector Yeung Tak-keung, head of the bureau's export section. The ice was destined for

the Philippines, where it would have retailed for about \$10 million, compared with a Hong Kong wholesale value of \$700,000.

Authorities said the busts did not indicate Hong Kong was becoming a burgeoning market for ice. "In the Philippines and Japan, ice is the drug of choice. In Hong Kong, heroin remains the drug of choice. Ice doesn't have a market here," said ICAC Chief Investigator Mike Squires. Mr Squires said four people arrested were members of the 14K Yee triad society whose official meeting place above a shop in North Poin was also uncovered in the raids.

In the past, Hong Kong has been mainly used as transit point for ice manufactured in laboratories in southern China and shipped to countries including the Philippines, Japan, Taiwan, South Korea and Hawaii. "We believe the syndicate has been active in ice trafficking for some time, but we believe we broke it up at the beginning of their plans to manufacture it in Hong Kong," Chief Inspector Yeung said.

He said the synthetics used to make the ice had come from a mainland crime group operating near Guangzhou and smuggled to Hong Kong for final processing in the Sha Tin flat. "They were importing the mixture from China and then treating it and combining it with other liquids in Hong Kong until it crystallised and was in its purest form," Chief Inspector Yeung said.

The 22 kg of ice and most of the manufacturing paraphernalia were found in the flat with the boys' 42-year-old mother, who was arrested. "The children were living in a flat used as an ice factory, but we do not believe they were using drugs. It's a pity that such things happen to them at that age," Chief Inspector Yeung said. Three men, including the suspected ring-leader and self-taught chemist and two would-be couriers, were arrested during raids on Monday night and early yesterday at premises in North Point. Four machete-type knives and a small quantity of heroin were also seized.

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